

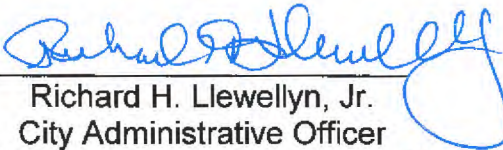
0220-05641-0000

**TRANSMITTAL**

TO Council	DATE  07-18-19	COUNCIL FILE NO. 18-0654
FROM Municipal Facilities Committee		COUNCIL DISTRICT 8

At its regular meeting on June 27, 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 lease agreement with Special Service for Groups, Inc./Homeless Outreach Program Integrated Health Care System (SSG/HOPICS) for property at 5965 / 5971 / 5975 South St. Andrews Place, Los Angeles, CA 90047, 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 in Council District 8.

There is no immediate impact on the General Fund. Council and Mayor previously approved \$6.9 million to construct the facility using the Homeless Emergency Aid Program (HEAP) Funds (\$4.6 million), the Unappropriated Balance (\$309,202), and the General City Purposes fund (\$1.33 million). The City will also contribute \$674,000 in HEAP Grant Funds to offset operational costs incurred by the service provider through June 30, 2021, with additional offsets funded by the County of Los Angeles with Measure H funds.

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

CITY OF LOS ANGELES  
CALIFORNIA

Agenda Item No. 6

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
GENERAL SERVICES  
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111 EAST FIRST STREET  
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FAX No. (213) 928-9515

June 27, 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 5965-5975  
ST. ANDREWS PLACE WITH SPECIAL SERVICE FOR GROUPS, INC.  
FOR USE AS A BRIDGE HOUSING FACILITY**

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The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Special Service for Groups, Inc. dba HOPICS (Operator-Tenant), as the operator of a bridge housing facility at the City-owned property located at 5965, 5971 and 5975 South St. Andrews Place.

**BACKGROUND**

On August 10, 2018, the City Council adopted a motion (C.F. 18-0654) instructing staff to evaluate and determine if this property was suitable for development as a crisis and bridge housing facility and instructed the City's Homeless Coordinator to identify operational funds for the site. The evaluation is complete and the City Council in a subsequent motion instructed GSD to proceed with the negotiation of a three-year lease for this purpose.

The 39,995 square foot site is a set of open surface lots on St. Andrews Place in Council District 8 that will accommodate 100 beds in a tension membrane structure. The Bureau of Engineering (BOE), is providing project design and management oversight of the City's GSD Construction Forces to complete the project, expected to open in fall. The site will also include storage for residents, personal hygiene and laundry facilities, supportive and community engagement services, and 24-hour security.

The three year lease for the Operator-Tenant includes a zero-cost holdover option on a month-to-month basis after the expiration date. In lease negotiations, GSD will seek to ensure that calculation of the three year term will commence when certificate of occupancy is acquired.



**FUNDING**

It is estimated that total construction costs for the St. Andrews Facility are \$6,250,054, and comprised of appropriations from the following funding sources:

- \$4,607,519 in Homeless Emergency Aid Program (HEAP) grant funds in the First Quarterly Expenditure Report and Funding Recommendations approved by Council on December 11, 2018 (\$3.0 million; C.F. 18 0654); and June 14, 2019 (\$1,607,519; C.F.18-0628)
- \$1,333,333 in General City Purposes Funds approved by Council on December 11, 2018 (C.F. 18 0654).
- \$309,202 in Unappropriated Balance Funds approved by Council on December 11, 2018 (C.F. 18 0654)

In addition to funding for capital, funding in the amount of \$674,000 in HEAP Grant funds has been approved for service provider operating costs through June 30, 2021. (C.F.18-0628). The service provider will also receive Measure H funds from the County of Los Angeles for operating costs.

**SHELTER SERVICES**

The City, through the Los Angeles Homeless Services Authority (LAHSA), identified the Operator-Tenant as the service provider to manage and operate the site 24/7 with experienced staff and security personnel. HOPICS is dedicated to providing the highest quality innovative social service with an emphasis on behavioral health and housing stability. Support services are funded for three years and include case management, mental health and substance abuse oversight.

**COMMUNICATION, FURNITURE, FIXTURES AND EQUIPMENT**

The City will provide separate funding to the operator accommodate the communication, data, staff phones, all the furniture, beds, 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. GSD shall be responsible for the major maintenance items of the facility.

Upon taking possession pursuant to this lease, the contracted service provider, shall be solely responsible for daily maintenance and repairs throughout the site.

**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.

**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 lease will include the following:

LOCATION:	5965, 5971 and 5975 S. St. Andrews Place Los Angeles, CA 90047
LANDLORD:	City of Los Angeles
TENANT:	Special Service for Groups, Inc. dba HOPICS
USE:	Residential transitional housing for homeless
SQUARE FEET:	Approximately 36,995 sq. ft.
TERM:	Three years (36 months) from Lease Commencement Date
LEASE EFFECTIVE DATE:	Upon attestation by City Clerk's Office
LEASE COMMENCEMENT DATE:	Upon Building and Safety's issuance of the Certificate of Occupancy.
RENTAL RATE:	\$0
ESCALATIONS:	N/A
OPTIONS: HOLDOVER:	Two 1-year options Month-to-Month, at \$0 rent
TERMINATION RIGHT:	City shall have unilateral right with 30 day notice
ADDITIONAL RENT:	None
SECURITY DEPOSIT:	None
UTILITIES:	Tenant shall be responsible for all utilities.
PARKING:	On site, at no extra cost subject to availability.
TENANT IMPROVEMENTS:	The City shall be responsible for improvements for the

membrane structure, trailers, including any fence or wall construction, if needed.

CUSTODIAL: Tenant shall provide all custodial services.

PROPERTY TAXES: None

INSURANCE: Tenant shall provide insurance for the site consistent with the lease and to be further determined by Risk Management.

MAINTENANCE: City shall maintain major building systems including heating, ventilation, air conditioning, water heaters, fire alarm and sprinkler system, exterior walls and plumbing and electrical systems.

Tenant shall provide basic and routine daily maintenance and repairs, normal wear and tear within the facility.

**FISCAL IMPACT**

There is no impact to the General Fund. Funds recommend in this report were budgeted in the Fiscal Year 2018-19 Budget. Funding for the site in its entirety, approximately (\$6.9 million), is provided by the Homeless Emergency Aid Program (HEAP) Grant Fund (\$4,607,519), General City Purposes Fund (\$1,333,333), and the Unappropriated Balance (\$309,202). In addition, funding in the amount of \$674,000 is provided by the HEAP Grant for service provider operating costs.

**RECOMMENDATION**

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a lease with Special Service for Groups, Inc. dba HOPICS for 5965, 5971 and 5975 S. St. Andrews Place under the terms and conditions as substantially outlined in this report.



Tony M. Royster  
General Manager