

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 6, 2022

CAO File No. 0220-05151-0390

Council File No. –

Council District: 4

To: The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Highland Gardens Interim Housing

Subject: **TRANSITIONING THE HIGHLAND GARDENS HOTEL IN COUNCIL DISTRICT 4 FROM A PROJECT ROOMKEY SITE TO AN INTERIM HOUSING SITE**

SUMMARY

The Highland Gardens Hotel, located in Hollywood in Council District 4, is in the process of ramping down as one of the City's last remaining Project Roomkey (PRK) sites. According to the Los Angeles Homeless Services Authority's (LAHSA) PRK demobilization plan, PRK operations at the hotel will run through October 31, 2022. Following its ramp down as a PRK site, Council District 4 expressed a desire for the site to serve as interim housing, and requested this office identify funding in order to effectuate this transition. This report is in response to the Council office's request.

RECOMMENDATIONS

That the City Council, subject to approval by the Mayor:

1. DETERMINE that, the Crisis and Bridge Housing project at 7047 W Franklin Avenue, which allows for the lease and use of the property as an existing temporary shelter for those experiencing homelessness, is statutorily exempt from California Environmental Quality Act under Public Resources Code Section 21080(b)(4), as a specific action necessary to prevent or mitigate an emergency as also reflected in CEQA Guideline Section 15269(c); and Public Resources Code section 21080.27 (AB 1197), applicable to City of Los Angeles emergency homeless shelters;
2. APPROVE \$10,000 from the Homeless Housing, Assistance, and Prevention Grant Program Round 1 (HHAP-1) Fund 62Y/10, Account No. 10S650, Funding Category-1: A Bridge Home Capital and Operating Gap to the Los Angeles Housing Department (LAHD), Fund 62Y/43, in a new account entitled "CD 4 - Highland Gardens IH Operations" for services of an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2023;

3. APPROVE up to \$2,111,150 from the Additional Homeless Services - General City Purposes (AHS-GCP) Fund No. 100/56, Account No. 000931 to the LAHD Fund No. 10A/43 in a new account entitled "CD 4 - Highland Gardens IH Operations" for services of an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2023;
4. APPROVE up to \$3,938,200 from the AHS-GCP Fund No. 100/56, Account No. 000931 to the LAHD Fund No. 10A/43 in a new account entitled "CD 4 - Highland Gardens IH Leasing" for leasing costs of an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2023;
5. REQUEST the Los Angeles Homeless Services Authority (LAHSA) execute a new sole source contract, or amend its current contract, with People Assisting the Homeless (PATH) in the up to amount of \$6,059,350 for start-up and operating costs to operate an interim housing site at the Highland Gardens Hotel, located at 7047 Franklin Avenue in Council District 4, for up to 143 beds (with double occupancy) through June 30, 2023;
6. INSTRUCT the General Manager of LAHD, or their designee to execute a new agreement with LAHSA in the amount of \$6,059,350 for an initial term of November 1, 2022 until October 31, 2025, with two one-year extension options, for the Alliance Settlement Agreement program, and include the following:
 - a. \$2,121,150 for Highland Gardens services
 - b. \$3,938,200 for Highland Gardens leasing costs
7. AUTHORIZE the CAO to:
 - a. Prepare Controller instructions or make necessary technical adjustments, including to the names of the Special Fund accounts recommended for this report, to implement the intent of these transactions, and authorize the Controller to implement these instructions; and

BACKGROUND

The Highland Gardens Hotel has been operating as a PRK site since July 2021. In that time, there have been a number of discussions within the City about exploring the opportunity to convert the hotel into an interim housing site. After the hotel's owner expressed an interest and willingness to pursue this, the City conducted a feasibility review, which confirmed the site's suitability as an interim housing site.

Transitioning to and operating the hotel as an interim housing site will require funding to cover supportive services and leasing costs. These types of services and costs have been overseen by the LAHD.

DISCUSSION

On October 31, 2022, the Highland Gardens Hotel will cease operations as a PRK site and will immediately transition to interim housing beginning on November 1, 2022. The prorated annual operating cost per bed for the Highland Gardens Hotel from November 1, 2022 to June 30, 2023 is \$2,121,150.

Expanding the number of interim housing options across the City, but particularly in Council District 4 is critical to the City's overall response to unsheltered homelessness. Since its identification as a possible interim housing site, the Highland Gardens Hotel has begun repainting and replacing flooring and furniture as needed to bring rooms up to standard. Intake at the hotel as a PRK site has already ceased and it is understood that existing occupants will be vacated by the end of October and that a new group of participants will move in. Per the agreement between the hotel and the service provider, PATH, the hotel will continue to provide general housekeeping services for every room. Additionally, hotel front desk staff will maintain the safety and security of everyone on the property. Lastly, the hotel's engineering and maintenance staff will conduct general maintenance repairs on a daily basis.

FISCAL IMPACT STATEMENT

There is a General Fund impact as the recommendations utilizes General City Purposes - Additional Homeless Services to fund services and leasing. Additionally, this report utilized a State Grant, the Homeless Housing, Assistance, and Prevention Round 1 funds to partially fund services.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City Financial Policies in that budgeted funds are being used to fund recommended actions.