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January 30, 2020

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 305, City Hall
Los Angeles, CA. 90012

Attention: Armando Bencomo, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND
EXECUTE A BRIDGE HOUSING FACILITY LEASE WITH
LOS ANGELES COUNTY METROPOLITAN TRANSIT AUTHORITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Los Angeles County Metropolitan Transit Authority (MTA), for a portion of the MTA owned parking lot located at 14333 Aetna Street, Van Nuys, CA 91401 (Aetna) for use as a temporary bridge housing facility. (This property also has a second address of 6060 Van Nuys Blvd., Van Nuys, CA 91401).

BACKGROUND

On May 29, 2019, the City Council adopted a motion (C.F. 19-0563) instructing staff to evaluate and determine if this site was suitable for development of a temporary bridge housing facility. The evaluation is complete and the City Council approved funding in a motion on November 27, 2019. Subsequently, the City's Homeless Coordinator requested GSD proceed with the negotiation of a lease with MTA for use of the site.

The site is currently developed as a public park/ride parking lot serving the Orange Line Busway system at the MTA Orange Line Van Nuys Station. The project is an approximately 20,000 square-foot (sf) rectangular shaped portion of the larger 2.35-acre site. The City will lease it for zero dollars per year until or up to August 15, 2023. The project site design includes a single story 7,200 sf trailer structure consisting of ten 60' x 120' stitched together trailers and will include 70 beds. Other site elements include an 840 sf hygiene trailer, a 960 sf administration/intake trailer and outdoor pet relief,

storage and open deck space areas. The Bureau of Engineering (BOE) will manage the construction of the project with an estimated opening date of July 2020.

TERMS AND CONDITIONS

The lease with MTA includes a holdover option, on a conditional month-to-month basis, if complete terms and conditions are met as outlined on the attached term sheet.

The Salvation Army was selected by the City Administrative Office (CAO) as the non-profit provider sublessee to operate this site and a subsequent report on their shelter services will be brought to the Municipal Facilities Committee at a future date.

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 15331 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 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.

FUNDING

On December 11, 2019, the City Council approved a motion (C.F. 19-0563) to allocate \$2,343,000 to complete the project design and purchase the modular trailers for the site. The motion also instructs the Controller to process a Reserve Fund loan for BOE in the amount of \$2,343,000 to construct the project which will be reimbursed through the State of California (State) Homeless Housing, Assistance, and Prevention Program (HHAP) grant receipts. The Reserve Fund loan will ensure that construction of the bridge housing facility at 14333 Aetna Street is not delayed. This loan will be repaid upon receipt of the City's HHAP allocation.

The City expects to receive \$117,562,500 from the State of California Homeless Housing, Assistance, and Prevention Program (HHAP) grant; however, these funds are not anticipated to be available until early 2020. The State Business, Consumer Services, and Housing Agency, the agency that administers HHAP, has confirmed that pre-award capital and operational costs may be reimbursed with HHAP.

Upon receiving HHAP grant funds, the City Administrative Officer (CAO) will request operational funding to be identified from the Homeless Emergency Aid Program Grant AC-1 – Capital and Operating Support for the non-profit and associated start-up and operational costs.

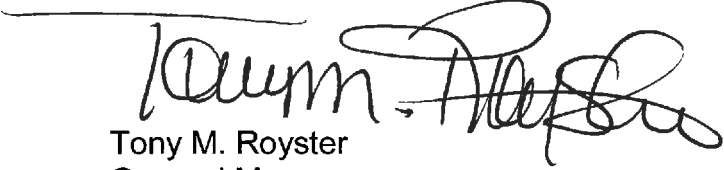
The CAO advised a maintenance fund will be established in the Capital Improvement Expenditure Program (CIEP) for major building and site systems such as structural, foundation, sewer, roof, HVAC, plumbing, electrical and fire, life safety systems. The non-profit will provide daily maintenance and repairs through its operational funds.

FISCAL IMPACT

There is no impact to the General Fund. Initial project funding of \$2,343,000, in the form of a Reserve Fund loan, has been approved by City Council to complete the project design and purchase the modular trailers for the site.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this new lease with Los Angeles County Metropolitan Transit Authority at 14333 Aetna Street, Van Nuys, CA 91401 for use as a temporary bridge housing facility under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments - Term Sheet

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Tenant
MAINTENANCE/ REPAIR DETAILS	City shall maintain major building/site systems: structural foundation, sewer, roof, HVAC, plumbing, kitchen fixtures, electrical, fire-life safety systems; Tenant will provide basic and routine maintenance and repairs throughout the site.
TENANT IMPROVEMENTS	City shall, at its own cost and expense, be responsible for all tenant improvements.
PARKING	Subject to availability at no extra cost.
UTILITIES	All utilities, including Internet, shall be paid by and assumed by the Tenant.
CUSTODIAL	All custodial services shall be paid by and assumed by the Tenant.
SECURITY	Other - See below (2)
PROP 13 PROTECTION	City is Exempt
INSURANCE	CITY shall indemnify and hold harmless Landlord
OTHER:	<p>1. TERMINATION: MTA expressly reserves the right to terminate the Lease for any Public Project after August 15, 2023.</p> <p>2. SECURITY: Security Measures. Tenant hereby acknowledges that MTA shall have no obligation whatsoever to provide security or guard services. Tenant assumes all responsibility for the protection of Tenant, Tenants' Parties, Bridge Housing residents, visitors, employees, workers, and contractors and their property from acts of third parties.</p>