

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

February 27, 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 NEW LEASE AGREEMENT WITH VOLUNTEERS OF AMERICA
LOS ANGELES FOR A HOMELESS NAVIGATION CENTER FACILITY**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Volunteers of America Los Angeles (VOALA) located at 2175 John S. Gibson Blvd., San Pedro, CA 90731(Gibson) for use as a Homeless Navigation Center. Gibson is owned by the City of Los Angeles (City) in Council District 15 (CD 15) and is also the location of the San Pedro Harbor Police Station.

BACKGROUND

On November 08, 2017, the City Council adopted a motion (C.F. 17-1287) instructing staff to evaluate and determine if Gibson was suitable for development of a Navigation Center facility. The evaluation was completed and the site was determined to be suitable. Subsequently, the project was approved as a part of the 2018-19 Proposition HHH Facilities Program Project Expenditure Plan (C.F. 17-0090). Construction at Gibson is nearing completion and the City's Homeless Coordinator has requested GSD proceed with the negotiation of a lease with VOALA.

The CD 15 Navigation Center Project, part of the Mayor's Homeless Initiative, will install a new 2,500 square feet (sf) modular building to provide voluntary storage to individuals, families, and youth experiencing homelessness. The project will provide 165 storage bins, client bathrooms and case management space. The project will encompass a total of 13,300 sf at Gibson directly adjacent to the San Pedro Harbor Police Station visitor parking lot.

The Bureau of Engineering (BOE) is managing the construction of the project with an estimated opening date of late March 2020.

TERMS AND CONDITIONS

On May 16, 2019, the Los Angeles Homeless Services Authority (LAHSA) issued a Request for Proposal (RFP) to all parties interested in operating the Navigation Center component at Gibson. VOALA was the awarding recipient of the RFP.

General terms are a zero-dollar, two-year lease with a month-to-month holdover basis after expiration. The lease type is a modified gross lease. Complete terms and conditions are outlined on the attached term sheet.

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

Facility operational funding is part of LAHSA's annual budget appropriation from the City. LAHSA funds are managed by the Housing and Community Investment Department (HCID). The proposed contract ceiling for VOALA operations is \$571,000 annually (\$47,583 monthly). Any additional impact for operational costs associated with the lease agreement will be reported separately with funding to be requested as part of the 2020-21 HCID Budget.

On May 29, 2019, the City Council approved the Proposition HHH 2018-19 Project Expenditure Plan (C.F. 17-0090-S6) to allocate \$4,150,000 to construct the facility. The source of those funds for construction is an appropriation from the Proposition HHH General Obligation Bond Issuance Fund No. 17C/10.

The CAO advised that 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 major maintenance item funding is provided by the General Fund.

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

FISCAL IMPACT

VOALA operations at Gibson is financed by the General Fund for \$571,000 annually (\$47,583 monthly) as part of LAHSA's 2019-20 budget, which contractually is budgeted to LAHSA through HCID (Fund 43a).

No revenue will be generated from this lease to the General Fund during the lease term period.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this new lease with Volunteers of America Los Angeles at 2175 John S. Gibson Blvd., San Pedro, CA 90731 for use as a Homeless Navigation Center under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment - Term Sheet

LEASING TERM SHEET

MFC DATE 02/27/2020

LANDLORD City of Los Angeles

ADDRESS 200 North Main Street, Los Angeles, CA 90012

TENANT Volunteers of America Los Angeles (VOALA)

ADDRESS 3600 Wilshire Blvd suite 1500, Los Angeles, CA 90010

LOCATION 2175 John S. Gibson Blvd., San Pedro, CA 90731

AGREEMENT TYPE Modified Gross Lease

USE Homeless Navigation Center

SQUARE FEET Approximately 13,300 square-feet

TERM Two (2) Years (24 Months)

RENT START DATE n/a

LEASE START DATE Upon attestation by City Clerk

OPTION TERM Month-To-Month Basis after the lease expiration date.

HOLDOVER No Right to Sublease/Assign - Landlord approval

SUBLET/
ASSIGNMENT No Right to Sublease/Assign - Landlord approval

TERMINATION See Below

RENTAL RATE \$0 per month

ESCALATION n/a

RENTAL ABATEMENT n/a

ADDITIONAL RENT n/a

PROPERTY TAX n/a

OPEX n/a

CAM n/a

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See 'Maintenance/Repair Details' section below.
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	Other n/a
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	Termination: City shall have the unilateral right to terminate this lease at any time for any reason upon thirty (30) days' written notice to Tenant. SECURITY: Security Measures. Tenant, at its own cost and expense, shall provide security on the Property at a level that is necessary to ensure the safety of visitors thereto, including the participants of the Homeless Navigation Center. At minimum, Tenant shall provide for one (1) security guard to be on the Property Monday through Saturday during operating hours.