

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Regular Meeting of January 28, 2021

MEMBERS: Richard H. Llewellyn, Jr., City Administrative Officer, Chair (CAO)
Sharon Tso, Chief Legislative Analyst (CLA)
Raoul Mendoza, Office of the Mayor (Mayor)

The meeting was called to order at 10:00 a.m.

No General Public Comment.

Item 1 Minutes of the November 19, 2020 meeting.

Disposition: Approved without discussion.

Item 2 Report from General Services Department (GSD) requesting to negotiate and execute a new non-profit license agreement with Hope of the Valley to operate a Day Laborer Center located at 11839 Sherman Way (CD 2), subject to Council approval.

Disposition: Approved.

Raoul Mendoza of the Office of the Mayor (Mayor) asked whether the completion of the tenant improvements (TI) at the site on Sherman Way would impact when the Day Laborer services can begin. John-Michael Mendoza, GSD, stated that all TIs have been completed. The TIs were completed earlier for another service provider that was to operate the Day Laborer Center (DLC) but declared bankruptcy. The project is a dual site for the DLC and the Homeless Navigation Center.

Item No. 3 was considered after Item No. 4.

Item 3 Report from the Office of the City Administrative Officer (CAO) with a request to enter into an Exclusive Negotiating Agreement (ENA) between the City and Avalon Bay and Abode Communities for the redevelopment of the West Los Angeles Civic Center located at 1645 Corinth Avenue (CD 11), subject to Council approval.

Disposition: Approved with Amendment to correct the name of the project to Westside Commons, with instructions for staff to regularly report on the project and the status of ENA negotiations.

Blair Miller, CAO, provided an overview of the report, including the anticipated 926 new housing units and joint collaboration between the City and County Supervisor Kuehl. After presenting the report, Ms. Miller introduced new correspondence from the Office of the City Attorney on the Surplus Land Act that was provided to the CAO after publication of the agenda and report. Additionally, Ms. Miller noted the need to correct an inadvertent error of the project name which is Westside Commons. Richard H. Llewellyn, Jr., the City Administrative Officer, noted the amendment.

Sharon Tso, the Chief Legislative Analyst (CLA), asked a series of questions and Ms. Miller provided the responses:

1. Does Councilmember Mike Bonin support the project? Council District 11 representative Krista Kline expressed appreciation for CAO and CLA staff and reported the Councilmember strongly supports the project;
2. Describe the City services currently provided on the West LA Campus. Ms. Miller provided a detailed description of the buildings and City services provided on the site, including the tenants of the existing municipal building;
3. Clarify construction impact, the parking for the Los Angeles Police Department and continuity of City services will be addressed in the ENA period. Ms. Miller confirmed that these considerations were being made;
4. Is this project joined with the County or severable from the County's? Ms. Miller explained that under the terms of the ENA, the City is allowed but not obligated to move forward with the developer if the County decides to move forward. Ms. Miller shared it would be beneficial for the project to be treated as one development for the purposes of California Environmental Quality Act, otherwise it would significantly complicate the Environmental Impact Report (EIR) process; and,
5. Ms. Tso then shared concerns about language in the ENA that included the "sale" option. Ms. Miller confirmed the City's preference to lease. Ms. Tso requested input from the other MFC members.

There was significant discussion on the deposit. Ms. Tso asked if the developer and City were covering their respective costs and if the \$100,000 level of funding for the deposit was sufficient, too low and would require frequent replenishment. Yolanda Chavez, Assistant City Administrative Officer, asked Ms. Miller to share the project schedule for the work.

Ms. Miller presented details of the schedule of the project and shared that the deposit amount is standard based on similar projects and could be updated as necessary. The EIR work will begin as soon the ENA is approved and is expected to be completed by December 2022. Ms. Chavez assured the committee that CAO staff will report back on status and any changes as necessary.

At the end of the discussions on the project, Mr. Llewellyn requested a second amendment to include regular reporting on the status of ENA negotiations during those negotiations, and spoke positively about the anticipated schedule and benefits of the project. Jacqueline Wagner, CAO, answered in the affirmative. Mr. Llewellyn also stated a preference for leaving the “sale” option in the ENA.

Mr. Mendoza, asked if departments were being provided resources to manage this project. Ms. Miller responded that a key requirement of the RFP was to make this project cost-neutral to the City and that the developer would cover Bureau of Engineering (BOE) and City Planning staff costs. Mr. Mendoza asked whether we would need to request staff positions. Mr. Llewellyn said that any new staff positions would be handled through the budget process. He also commented on the quick timeline, non-traditional way the project is being done, and that work will be done within just a couple of years to meet the County’s strict timeline so there may not be additional new positions. Mr. Mendoza supported Mr. Llewellyn’s position that the City retains the “sale” language as an option.

Ms. Tso seconded both amendments and reiterated that despite the inclusion of the “sale” language that the intent of the City is still to have a long-term lease agreement.

Item 4 Quarterly report from the CAO and GSD on the status of the Citywide leasing account.

Disposition: Note and File.

Mr. Mendoza asked whether the features of the Asset Management System (AMS) could gather data on lease status and expiration dates. Amy Benson, GSD, indicated that the data is available in AMS but GSD staff would need to do conduct an analysis of each department’s current space use to determine future needs. Kay Ha, CAO, also indicated that to the extent that policy directions are made by management, the program staff can take the necessary steps to look for potential changes in City’s current stacking plans. Mr. Mendoza asked if the leasing data with status and expiration

dates can be shared. Ms. Benson confirmed that the data is available to share.

Ms. Ha made a verbal update regarding the Project Room Key (PRK) reconciliation and fiscal impact statement included in the report. She indicated that GSD reported a potential liability of up to \$6.96 million for the PRK cash flow but there is roughly \$6 million in reimbursement pending, as part of the Second Homeless Housing Assistance and Prevention (HHAP) Program report, which was approved by the Council earlier this week (C.F. 19-0914). She also added that the reconciliation of remaining \$975,000 variance is also currently underway and any unresolved impacts will be reported in the next Leasing report and through the Financial Status Report. Ms. Tso asked if the difference of \$975,000 will be resolved as part of the report back. Ms. Ha indicated that there is an appropriation currently in process to be reconciled.

Ms. Tso asked how the Leasing Account was initially considered to front fund the PRK expenditures. Melody McCormick, GSD, indicated that GSD was asked to take on PRK as part of the Pandemic activity with an initial allotment of \$8.9 million in coordination with the City Homeless Coordinator and with additional funding which is included in the Second HHAP report. Ms. Tso asked if this was an administrative action. Ms. McCormick indicated that the initial allotment was an administrative action under the Mayor's Emergency Order. Ms. McCormick added that the second allotment of reimbursement was provided to GSD later than the department had anticipated due to time required for Council approval of the PRK project funding. The remaining funding provided in the Second HHAP report will reimburse expenditures through March. Ms. McCormick indicated that there may be additional unfunded costs such as final remediation costs or damage claims and unresolved concerns would be reported in the next report. Ms. Tso commented that she will follow up with the Office of the CAO to ensure that there are no other unanticipated borrowing/front-funding for such COVID expenditures.

Item 5 GSD Notification of Assignment to the Municipal Facilities Committee to add 7134 North Jordan Avenue (CD 3), to the Safe Parking Program Master License Agreement under the Safe Parking Program.

Disposition: Note and File.

Ms. Tso clarified for Mr. Llewellyn that the item was being considered for note and file and not a motion for approval. The item was noted without discussion.

Item 6 Reports from GSD to provide updates on the office space and parking plans for the 888 South Vermont Avenue lease, previously authorized to accommodate the relocation of displaced Los Angeles Department of Transportation (LADOT) parking enforcement operations located at 411 North Vermont Avenue (CD 13).

Disposition: Approved.

Ms. Tso recognized the efforts of GSD and LADOT to ensure that the lease issues were resolved at no cost and expressed her thanks to the two departments. Mr. Llewellyn, seconded her comments.

Item 7 Quarterly Status Report from the BOE on the Taylor Yard G2 River Park Project located at 2850 Kerr Street (CD 1).

Disposition: Note and File.

Ms. Tso, requested clarification on the most recently approved grant funding, and asked whether or not that funding is reflected in the project budget table listed on page 3.1 of the report. Christopher Johnson, BOE, responded and confirmed that the project budget table reflects the recently approved grant funding.

The meeting adjourned at 10:49 am.