

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 2

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

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

April 15, 2021

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

Attention: Michael Espinoza, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A SUBLEASE WITH HOPE OF THE VALLEY RESCUE MISSION AT 6065 RESEDA BLVD TO OPERATE INTERIM HOUSING

The Department of General Services (GSD) requests authority to negotiate and execute a sublease with Hope of the Valley Rescue Mission (HVRM) for a parking lot owned by the Metro Transit Authority (MTA) located at 6065 N Reseda Blvd, Tarzana, CA 91335 in Council District 3 (CD3) for interim housing.

BACKGROUND

This project is also identified as 18616 W. Topham Street/6073 N. Reseda Boulevard in previously approved reports from the City Administrative Office (CAO) and Bureau of Engineering (BOE). MTA identifies the site address as 6065 N Reseda Blvd which was used for the Master Lease, therefore, the same address will be used in this sublease agreement as well.

On February 8, 2021 the City Council approved a report (C.F. 20-0841-S5) from the Municipal Facilities Committee to negotiate and execute a three-year lease with MTA for an approximately 28,780 square foot (sf) parking lot in CD3 for use as an interim housing facility. The Bureau of Engineering is providing project management oversight according to design plans approved by MTA with an expected completion date of April 16, 2021.

Through this sublease, HVRM will operate the site that includes pallet shelters hosting 146 beds, two hygiene trailers, two free-standing shade structures, two administration/laundry structures, and an exterior dining area.



TERMS AND CONDITIONS

The sublease will be for three years and include one two-year extension option subject to the MTA's discretion based on Metro Orange Line improvements. The City will have the right to terminate the sublease at any time with 30 days notice. The lease term commences on the day after approval and issuance of the Certificate of Occupancy. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

HVRM, founded in 2009, is a faith-based compassion ministry that focuses on spiritual, emotional, physical, relational, occupational, and financial needs of their clients. Their two-pronged approach starts with crisis intervention then bridges clients, when they are ready, into long-term services that address chronic obstacles.

HVRM aims to help clients find a job or form of public assistance, medical and mental health services, substance abuse counseling and recovery, and housing placement.

LAHSA will execute a service contract with Hope of the Valley to operate the site.

BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The City will maintain major building systems including plumbing, electrical, roof membrane, mechanical systems, and all doors including hardware, door frames, and door openers, except for reasonable use and wear and damage resulting from negligent or other acts or omissions of the HVRM or HVRM's Parties. The City will also maintain fire life safety compliance and other regulatory requirements.

HVRM will provide fire watch at a level approved by the Los Angeles Fire Department.

HVRM will provide routine daily maintenance including interior and exterior light fixture lamps, interior paint, smoke detectors, fire extinguishers, localized plumbing drain backups which do not affect the mainline, and damage resulting from negligent or other acts or omissions of HVRM and its parties. This includes replacement or repair of fixtures, electrical outlets, plumbing, and HVAC damaged as a result of intentional destruction of such property.

Landscaping, if any, will be maintained by Hope of the Valley.

The CAO advises A Bridge Home Maintenance Fund through the CIEP was established with GSD for bridge home and homeless navigation site maintenance costs. The CAO is working with GSD to confirm ongoing costs and funding source for Tiny Home and additional Roadmap sites which will be recommended in a subsequent report.

ENVIRONMENTAL

On September 30, 2020, City Council determined that the pallet shelter project involved in this approval was exempt from the California Environmental Quality Act (CEQA) and approved the project (CF No. 20-0841). Although the documents in this action refer to 6065 Reseda Blvd., the location is the same, and the project to be leased, constructed, and operated is the same, as that referenced by City Council as 6073 N. Reseda Blvd. and 18616 W. Topham Street in its approval on September 30, 2020 (CF No. 20-0841). In its action, Council determined the City's activities related to the homeless shelter at this site are statutorily exempt from CEQA under

Public Resources Code Section 21080(b)(4) as a specific action necessary to prevent or mitigate an emergency, Public Resources Code section 21080.27 (AB 1197) applicable to City of Los Angeles homeless shelters; and because the project is partly funded by Homeless Emergency Aid Program funds, it is exempt under Governor's Order N-32-20; as set for in the Notice of Exemption in the Council's prior action.

COMMUNITY BENEFIT ANALYSIS

Inasmuch as the COVID-19 Homelessness Roadmap Project formed to facilitate temporary housing and social services for homeless individuals, the proposed license, being necessary for implementation of the subject "Tiny Home Village" project, does not require further analysis of community benefits in support of the sublease.

FUNDING

The estimated tenant improvement project costs are approximately \$3.4 million. On September 30, 2020 the City Council adopted a motion (CF 20-0841) authorizing \$3.354 million from the COVID-19 Federal Relief Fund and \$30,000 from the Homeless Emergency Aid Program (HEAP).

An operational budget of \$3.66 million was approved from the November 24, 2020 report from the CAO to support operations through June 2022. These funds will be from the CARES Act Emergency Solutions Grant (ESG-COVID).

FISCAL IMPACT

There is no anticipated General Fund impact providing the grant funding repays for the authorized reserve fund loan for the project. Initial project funding of \$3.4 million was approved by Council with the understanding the full cost will be offset by the HHAP grant funds.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this sublease with Hope of the Valley Rescue Mission at 6065 Reseda Boulevard for interim housing under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet

LEASING TERM SHEET

MFC DATE	04/15/2021
<hr/>	
LANDLORD	City of Los Angeles
ADDRESS	111 E 1st Street, Suite 201, Los Angeles, CA 90012
<hr/>	
TENANT	Hope of the Valley
ADDRESS	11076 Norris Ave, 2nd Floor, Pacoima, CA 91331
<hr/>	
LOCATION	6065 N Reseda Blvd, Tarzana, CA 91335
AGREEMENT TYPE	Zero Dollar Receivable Sublease
USE	Operation of an interim housing facility
SQUARE FEET	Approximately 28,780 SF
TERM	Three (3) years
RENT START DATE	One day after receipt of Certificate of Occupancy
LEASE START DATE	Date attested
OPTION TERM	One (1) option to extend the term for two (2) years based on Master Lease
HOLDOVER	Month-to-month
SUBLET/ ASSIGNMENT	Right to Sublease/Assign - Landlord approval
TERMINATION	City may terminate with thirty (30) days' notice
RENTAL RATE	\$0
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
PROPERTY TAX	N/A
OPEX	Hope of the Valley
CAM	N/A

OTHER	
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Other Hope of the Valley
MAINTENANCE/ REPAIR DETAILS	HVRM: daily maintenance including interior and exterior light fixture lamps, interior paint, fire extinguishers, smoke detectors, localized plumbing drain backups, and damage resulting from negligent or other acts
TENANT IMPROVEMENTS	BOE will provide design and management.
PARKING	N/A
UTILITIES	Hope of the Valley responsible to directly contract utility services
CUSTODIAL	Hope of the Valley
SECURITY	Hope of the Valley
PROP 13 PROTECTION	City is Exempt
INSURANCE (City)	Tenant shall indemnify and hold harmless the City
INSURANCE (Landlord)	Tenant shall indemnify and hold harmless the City
OTHER:	<p>Tenant shall indemnify and hold harmless both City and MTA, and maintain insurance naming City and MTA as additional insureds at a level determined by the City's Risk Management Department.</p> <p>HVRM will provide fire watch dictated by LAFD.</p> <p>The City will maintain major building systems including plumbing, electrical, roof membrane, mechanical systems, and all doors including hardware including hardware, door frames, and door openers, except for reasonable use and wear and damage resulting from negligent or other acts or omissions of the HVRM or HVRM's Parties. The City will also maintain fire life safety compliance and other regulatory requirements.</p>