

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 6

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

July 29, 2021

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

Attention: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE WITH CALIFORNIA
DEPARTMENT OF TRANSPORTATION AND SUBSEQUENTLY A SUBLEASE WITH
HOPE OF THE VALLEY AT 12550/12600 N. SATICOY ST. LOS ANGELES, CA 91605
TO ESTABLISH AND OPERATE AN INTERIM HOUSING SITE**

The Department of General Services (GSD) requests authority to negotiate and execute a lease with California Department of Transportation (Caltrans) and subsequently a sublease with Hope of the Valley (HVRM) located in Council District 2 (CD2) at 12550/12600 N. Saticoy Street Los Angeles, CA 91605, Caltrans location reference #07-000415-0001-01, for interim housing. (CF #20-0841)

BACKGROUND

The City's Homeless Coordinator requested GSD proceed with the negotiation of a 36-month lease with Caltrans for the use of an open park field approximately 41,224 sf that is currently leased to the Department of Recreation and Parks (RAP) located on the intersection of Saticoy and Whitsett. The site located in CD2 consists of an open field to construct and establish interim housing.

Through this lease with Caltrans and a subsequent sublease with Hope of the Valley Rescue Mission (HVRM), a nonprofit service provider, the Tiny Home Village site will include approximately 77 pallet shelters hosting a maximum of 150 beds, two hygiene trailers, two free-standing shade structures, two administration/laundry structures, and an exterior dining area. The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected completion date of mid-August 2021.



TERMS AND CONDITIONS

The lease and sublease shall commence upon final issuance of the Certificate of Occupancy for approximately 36 months. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

Founded in 2009, HVRM 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 HVRM to operate the site.

BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The City will maintain major building systems including plumbing, electrical, roof, 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.

The service provider, 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.

Hope of the Valley will also maintain any landscaping, if any.

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 October 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-S3**). 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 forth 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 lease and sublease, 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 development project costs are approximately \$8.9 million. On April 6, 2020, the City Council adopted a motion (CF 20-0841) authorizing \$7,928,227 from the COVID-19 Federal Relief Fund and \$966,204 from the Homeless Emergency Aid Program (HEAP).

An operational budget of \$3,467,250 for furniture, fixtures, and equipment (\$126,000) and services through June 30, 2022 (\$3,341,250) was approved. These funds are from the CARES Act Emergency Solutions Grant (ESG-COVID).

FISCAL IMPACT

There is no impact to the General Fund. The cost to construct this project is estimated to be \$8.9 million. The Council and Mayor previously approved funding to finance this project as follows: \$7,928,227 from the COVID-19 Federal Relief Fund and \$966,204 from the Homeless Emergency Aid Program (HEAP) for construction, and \$3,467,250 from the Emergency Solutions Grant – COVID for operations.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor:

- 1) Authorize GSD to negotiate and execute a lease with Caltrans at 12550/12600 N. Saticoy St., Los Angeles, CA 91605 for interim housing under the terms and conditions substantially outlined in this report.
- 2) Authorize GSD to negotiate and execute a sublease with Hope of the Valley Rescue Mission at 12550/12600 N. Saticoy St., Los Angeles, CA 91605 for interim housing under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Caltrans Term Sheet
Hope of the Valley 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	<input type="text"/>
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Tenant <input type="text"/>
MAINTENANCE/ REPAIR DETAILS	Tenant shall be responsible for all repairs and maintenance items on the site.
TENANT IMPROVEMENTS	Tenant shall be responsible for all plans and construction.
PARKING	As available
UTILITIES	Tenant
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	Other <input type="text"/>
INSURANCE (City)	City is self insured <input type="text"/>
OTHER:	<input type="text"/>

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	
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Other HVRM shall be responsible for daily maintenance
MAINTENANCE/ REPAIR DETAILS	HVRM shall be responsible for all repairs and maintenance items on the site.
TENANT IMPROVEMENTS	N/A
PARKING	As available
UTILITIES	HVRM shall be responsible for all utilities including telecommunications
CUSTODIAL	HVRM shall be responsible
SECURITY	HVRM shall be responsible
PROP 13 PROTECTION	Other None
INSURANCE (City)	City is self insured
OTHER:	