

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

Agenda Item No. 8

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

March 31, 2022

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA, 90012

Attention: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A LEASE LOCATED AT RIGHT OF WAY BETWEEN COMPTON AVENUE AND
NEVIN AVENUE, LOS ANGELES, CA 90011 WITH LOS ANGELES METROPOLITAN
TRANSPORTATION AGENCY TO OPERATE AN INTERIM HOUSING SITE**

The Department of General Services (GSD) requests authority to negotiate and execute a lease with Los Angeles Metropolitan Transportation Agency (Metro) for the operation of a Tiny Home Village located at the intersection of Compton and Nevin Los Angeles, CA 90011 in Council District 9 for interim housing.

BACKGROUND

The City's Homeless Coordinator requested GSD proceed with the negotiation of a 60-month lease with Metro for the use of an undeveloped lot that is approximately 48,838 square feet in order to design, construct, establish and operate an interim housing project. The site is located in Council District 9.

Through this lease with Metro, the site shall establish an interim housing project with up to 144-bed capacity, that will include tiny homes (including Americans with Disabilities Act compliant single beds), administration offices, two hygiene mobile units with restrooms, showers, and lavatories, drinking fountains, seating areas with mobile shade umbrellas for food distribution services, laundry utilities, a guard booth, individual storage bins, a pet area, staff parking, and site perimeter fencing with privacy slats.

TERMS AND CONDITIONS

The lease will commence upon final approval and issuance of the Certificate of Occupancy and will last for approximately 60 months. A complete set of terms and conditions are outlined on the attached term sheet.



BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The City shall construct, operate, and maintain major building systems, including plumbing, electrical, roofing, mechanical systems, and all doors including hardware, door frames, and door openers. The City shall not be liable for any damage resulting from the active negligence or willful misconduct of Metro.

Subsequently, a nonprofit provider 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 the nonprofit operator 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.

Furthermore, the nonprofit provider will also maintain any landscaping, if any.

The Office of the City Administrative Officer (CAO) advises an A Bridge Home Maintenance Fund through the CTIEP 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 Villages and additional Roadmap sites, which will be recommended in a subsequent report.

ENVIRONMENTAL

On September 30, 2021, 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). 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 emergency homeless shelters; and, because the project uses "Homeless Housing, Assistance and Prevention 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.

FUNDING

The estimated project costs for construction are approximately \$7.2 million. On September 30, 2021, the Mayor and City Council approved CAO funding recommendations (CF 20-0841) authorizing \$7,194,335 from the Additional Homeless Services General City Purpose Fund and \$10,000 from the Homeless Housing, Assistance, and Prevention (HHAP) Grant Fund for the construction of this Tiny Home Village.

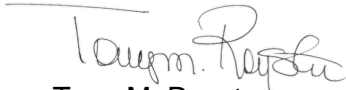
An operational budget will be recommended in a future funding report.

FISCAL IMPACT

There is no anticipated impact to the General Fund at this time. In Fiscal Year 2022-23, the annual cost to operate this site will be \$2,890,800. The City's portion of this cost after the County of Los Angeles commitment to Roadmap operations will be \$1,445,400. Funding for these costs will be considered through the City's annual budget process, which is subject to Council and Mayor approval.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease with Los Angeles Metropolitan Transportation Agency for the undeveloped lot located between the intersection of Compton Avenue and Nevin Avenue in Los Angeles 90011 for an interim housing site 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	
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Tenant and subsequent operator
MAINTENANCE/ REPAIR DETAILS	City and subsequent operator shall be responsible for all costs on site. City is self-insured and will indemnify the Landlord limited to its use.
TENANT IMPROVEMENTS	TBD by City of Los Angeles - Bureau of Engineering
PARKING	As Available on site
UTILITIES	Operator
CUSTODIAL	Operator
SECURITY	Operator as needed
PROP 13 PROTECTION	Other <input type="button" value="v"/>
INSURANCE (City)	Other <input type="button" value="v"/>
OTHER:	<p>The City, through BOE has performed initial environmental review and is satisfied based on the scope of work along with the interim nature of this lease, is comfortable to proceed based on BOE's recommendation.</p> <p>Landlord acknowledges that the City intends to concurrently sublease/assign the Premises to a nonprofit to operate the site.</p>