

# CITY OF LOS ANGELES

CALIFORNIA

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September 29, 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 AGREEMENT  
WITH JOHN WESLEY CENTER FOR HEALTH FOR INTERIM HOUSING AT  
499-503 SAN FERNANDO ROAD, LOS ANGELES**

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The Department of General Services (GSD) requests authority to negotiate and execute a lease with John Wesley Center for Health (JWCH) for the operation of a Tiny Home site located at a City-owned property at 499-503 San Fernando Road Los Angeles, CA 91340 in Council District 1 for interim housing.

**BACKGROUND**

The City's Homeless Coordinator requested that GSD negotiate a 36-month lease with JWCH for the use of a City-owned lot that is approximately 36,305 square feet.

Through this lease with JWCH, the site will be operated as an interim housing project that includes, among other things, a membrane structure and trailers to accommodate up to 70 beds (including Americans with Disabilities Act-compliant single beds), administration offices, hygiene mobile units with restrooms, showers, and lavatories, drinking fountains, seating areas with food distribution services, laundry utilities, a guard booth, individual storage bins, a pet area, staff parking, and site perimeter fencing with privacy slats.

The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected construction commencement date in January 2023.



**TERMS AND CONDITIONS**

The lease term commences upon City Clerk's attestation of the contract. A complete set of terms and conditions are outlined on the attached term sheet.

**BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING**

The City shall maintain major building systems, including plumbing, electrical, roofing, mechanical systems, and all doors including hardware, door frames, and door openers.

JWCH will be responsible for utilities and 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 JWCH 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. JWCH will also maintain any landscaping, if any.

The CAO advises A Bridge Home Maintenance Fund was established through the CIEP 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 "A Bridge Home Housing" and additional Roadmap sites, which will be recommended in a subsequent report.

**ENVIRONMENTAL**

On December 3, 2021, City Council determined that the interim housing project involved in this approval, including leasing, was exempt from the California Environmental Quality Act (CEQA) and approved the project (CF No. 20-0841). The current leasing approval is an action toward implementing, and in furtherance of, the previously approved and exempt project.

**FUNDING**

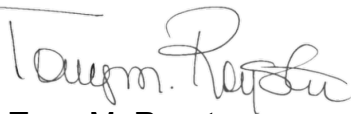
On December 3, 2021, the City Council approved CAO funding recommendations (CF 20-0841) authorizing \$11,603,635 of Additional Homeless Services - General City Purpose (AHS-GCP) funds and \$2,812,279 of Community Development Block Grant Covid-19 (CDBG-CV) funds for construction of the site. On August 19, 2022, the City Council approved \$1,733,875 of County funds for site operations from January 1, 2023 to June 30, 2023 provided in the 12th COVID-19 Homelessness Roadmap funding report (CF 20-0841-S25).

**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 is \$1,733,875, since the site will be operational for about half of the FY. Operations for the remainder of the site's term will cost \$2,609,750.00 annually, which will be funded with County Agreement funds. Additional Homeless Services - General City Purpose funds can be allocated for maintenance, as necessary.

**RECOMMENDATION**

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease agreement with JWCH for the "Tiny Home" site located at 490-503 San Fernando Road, Los Angeles, CA 91340 to operate an interim housing site under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager

Attachment: Term Sheet

## LEASING TERM SHEET

MFC DATE	09/29/2022
LANDLORD	City of Los Angeles
ADDRESS	111 E. 1st Street, Room 201, Los Angeles, CA 90012
TENANT	John Wesley Center for Health (JWCH)
ADDRESS	5650 Jillson Street Commerce, CA 90040
LOCATION	499 - 503 San Fernando Road Los Angeles, CA 90031
AGREEMENT TYPE	Lease
USE	Interim housing
SQUARE FEET	Approximately 11,000 SF
TERM	3 years from final issuance of Certificate of Occupancy
RENT START DATE	Term starts upon final issuance of Certificate of Occupancy
LEASE START DATE	Lease execution date and attestation by the City Clerk's Office
OPTION TERM	Two 1-Year option
HOLDOVER	Month to month, at \$0 rent
SUBLET/ ASSIGNMENT	NO RIGHT TO ASSIGN/SUBLEASE
TERMINATION	City may terminate with 30 day notice
RENTAL RATE	\$0.00
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
PROPERTY TAX	N/A
OPEX	N/A
CAM	N/A

OTHER	
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	TENANT  
MAINTENANCE/ REPAIR DETAILS	City to maintain Building Systems limited to electrical and water. Tenant shall provide basic and routine daily maintenance and repairs.
TENANT IMPROVEMENTS	City through Bureau of Engineering (BOE) will project manage the construction of the project that is projected to be completed in Jan. 2023.  CEQA filed June 23, 2022.
PARKING	As available on site
UTILITIES	Tenant
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	*Other
INSURANCE	Tenant shall indemnify and hold harmless Landlord
OTHER:	