

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 4

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
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July 30, 2026

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

Attention: Sharon Gin, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH THE SALVATION ARMY AT 1221 N. FIGUEROA PL. WILMINGTON CA 90744 TO OPERATE AN INTERIM HOUSING SITE

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement between the City of Los Angeles (GSD) and The Salvation Army (TSA) at a Department of Recreation and Parks (RAP) controlled property for continued use as a Tiny Home Village for temporary interim housing in Council District 15 (CD15).

BACKGROUND

The portion of the parking lot allocated for the Tiny Home Village measures approximately 47,800 square feet (sf). The site includes 77 pallet shelters, two mobile hygiene stations, one administrative office, one food preparation pallet, a pet area, and a storage pallet in order to serve up to 80 individuals experiencing homelessness.

With the support and direction of CD15, the 12-month extension of this interim housing use was approved by the Board of Recreation and Parks Commissioners (RAP), which recently approved the site until June 21, 2027. This lease agreement will allow the nonprofit operator, TSA, to provide continued services on site through a service contract with Los Angeles Homeless Services Authority (LAHSA) that is pending final execution.

This Tiny Home Village site has been in operation since 2021.

TERMS AND CONDITIONS

The no-cost lease agreement is for one year through June 21, 2027. There is no holdover option. There is a one year option, subject to RAP's board approval. A complete set of terms and conditions are outlined on the attached term sheet.



SHELTER SERVICES

The City identified TSA as the service provider to manage and operate the site 24 hours a day, seven days a week with experienced staff and security personnel. TSA is dedicated to ending homelessness and has experience providing emergency housing facilities, homeless shelters, transitional living centers, group homes, and family shelters with over 10 million nights of lodging annually. In addition, TSA combats long-term homelessness by providing homeless adults, veterans, and children with holistic physical, emotional, and spiritual support. Support services are funded for one additional year and include case management, mental health and substance abuse oversight. Program participants will remain at the shelter until permanent housing is identified or the participant chooses to exit the program.

LAHSA has executed a service contract with TSA to operate the site through June 30, 2026. A new service contract is pending execution for FY 26-27.

BUILDING MAINTENANCE, UTILITIES AND LANDSCAPING

The City shall maintain major plumbing and mechanical systems serving the entire site. The Operator, at Operator's expense, shall hire a licensed, bonded service contractor to address issues involving electrical as stated below including the switchgear with additional notice to the City. In cases of emergency or structural failure, GSD through Building Maintenance Division (BMD) shall remain available to provide emergency assistance.

The Operator shall be responsible for daily routine maintenance, including janitorial services, annual preventative maintenance, including but not limited to: interior electrical systems and light fixtures, fire life safety systems, smoke detectors including coordinating annual Reg-4 testing with the City, fire extinguishers, and maintenance/repairs to sprinkler heads and associated fire life safety components.

The City's responsibility with respect to the maintenance and repair of the plumbing systems will be from the meter to the backflow device, and the outside connection to the main sewer line. The Operator shall also be responsible for plumbing including localized plumbing and drain backups (not affecting main lines), annual backflow testing, pest control, damage caused by negligent or intentional acts or omissions of the Operator or its parties, including repair or replacement of fixtures, outlets, plumbing, appliances and HVAC systems.

Furthermore, the Operator shall maintain the following:

- Electrical Systems- All electrical components including the switchgear, distribution panels, outlets, lighting, and fixtures. All work must be done using a licensed bonded electrical service contractor at the Operator's expense.
- HVAC Systems- Including ductless HVAC units, if any are installed at the site.
- All plumbing fixtures such as faucets, sinks, shower valves, trap primers, hose bibs, flush valves and water heaters. Additionally, the Operator shall also be responsible for shower pans, and floor/area drains.

- All locks, keys, and any associated repairs or requests, including those related to new staff onboarding or transitions between service providers.
- All utilities and landscaping at the site.

ENVIRONMENTAL

Through the Office of the City Administrative Officer (CAO) report, dated May 12, 2026 (C.F. 23-1022-S33), approved by the Council and Mayor on June 8, 2026, it was determined that the funding allocation, lease, and continued use for a period of approximately one year for the Harbor Park Tiny Home Village (THV)/low barrier navigation center at 1221 N. Figueroa Place, for those experiencing homelessness, is statutorily exempt from CEQA under PRC Section 21080.27.5, applicable to low barrier navigation centers; and Government Code Section 8698.4(a)(4) governing homeless shelter projects under a shelter crisis declaration.

FUNDING

On June 8, 2026, the Mayor concurred with the City Council's approval of the FY 2026-27 Annual Homelessness Funding report (C.F. 23-1022-S33), which allocated \$2,436,3750 of Measure A Local Solutions Fund to support the operations of 75 beds located at this Tiny Home Village through June 30, 2027. No funding was provided for leasing since the site is owned by the Department of Recreation and Parks and this is a no-cost agreement.

GSD works with the CAO on a case-by-case basis to fund ongoing costs and repairs.

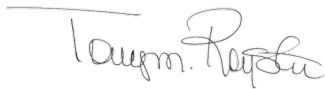
FISCAL IMPACT

There is no anticipated General Fund impact at this time. Current operational funding is supported with Roadmap County Agreement funds.

RECOMMENDATION

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

1. FIND, pursuant to the Los Angeles City Charter Section 371(e)(10) and Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable and impractical for this contract. The Salvation Army (TSA) has continuously operated as a trusted partner of the City at this location, providing essential housing and supportive services. TSA's continued operation ensures stability for vulnerable populations and avoids service disruption, which could result from transitioning to a new provider. Their deep-rooted community engagement, proven track record, and established infrastructure make them uniquely qualified to continue providing these critical services at this site.
2. AUTHORIZE the Department of General Services to negotiate and execute a ground lease agreement based on the revised terms and conditions with The Salvation Army for the use of the interim housing site located at 1221 N. Figueroa Place Wilmington, CA 90744 under the terms and conditions as substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE	July 30, 2026
LANDLORD	City of Los Angeles - GSD
ADDRESS	111 E. 1st Street, 2nd Floor, Los Angeles, CA 90012
TENANT	The Salvation Army
ADDRESS	3107 S. Grand Ave., Los Angeles, CA 90007
LOCATION	1221 N. Figueroa Place Wilmington CA 90744
AGREEMENT TYPE	Lease
SQUARE FEET	47,800 SF
TERM	1 Year
RENT START DATE	None
LEASE START DATE	06/22/26-06/21/27
OPTION TERM	1 year, subject to RAP's Board approval
HOLDOVER	None
SUBLET/ ASSIGNMENT	Right to assign - subject to Landlord approval
TERMINATION	30 days with notice
RENTAL RATE	None - no change from current agreement
ESCALATION	None - no change from current agreement
RENTAL ABATEMENT	None - no change from current agreement
ADDITIONAL RENT	None - no change form current agreement
PROPERTY TAX	None - no change from current agreement
OPEX	None - no change from current agreement

CAM	None - no change from current agreement
OTHER	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	The City shall maintain major plumbing and mechanical systems serving the entire site. The Operator, at Operator's expense, shall hire a licensed, bonded service contractor to address issues involving electrical as stated below including the switchgear with additional notice to the City. In cases of emergency or structural failure, GSD through Building Maintenance Division (BMD) shall remain available to provide emergency assistance. The Operator shall be responsible for daily routine maintenance, including janitorial services, annual preventative maintenance, including but not limited to: interior electrical systems and light fixtures, fire life safety systems, smoke detectors including coordinating annual Reg-4 testing with the City, fire extinguishers, and maintenance/repairs to sprinkler heads and associated fire life safety components. The City's responsibility with respect to the maintenance and repair of the plumbing systems will be from the meter to the backflow device, and the outside connection to the main sewer line. The Operator shall also be responsible for plumbing including localized plumbing and drain backups (not affecting main lines), annual backflow testing, pest control, damage caused by negligent or intentional acts or omissions of the Operator or its parties, including repair or replacement of fixtures, outlets, plumbing, appliances and HVAC systems. Furthermore, the Operator shall maintain the following: • Electrical Systems- All electrical components including the switchgear, distribution panels, outlets, lighting, and fixtures. All work must be done using a licensed bonded electrical service contractor at the Operator's expense. • HVAC Systems- Including ductless HVAC units, if any are installed at the site. • All plumbing fixtures such as faucets, sinks, shower valves, trap primers, hose bibs, flush valves and water heaters. Additionally, the Operator shall also be responsible for shower pans, and floor/area drains. • All locks, keys, and any associated repairs or requests, including those related to new staff onboarding or transitions between service providers. • Operator is also responsible for all utilities and landscaping at the site. • Decking —including ADA ramps— if applicable, PATH shall be responsible for all necessary repairs to these areas.
TENANT IMPROVEMENTS	None

PARKING	As available on site
UTILITIES	Tenant responsible for all utilities
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	N/A
INSURANCE (City & Tenant)	Tenant shall indemnify and hold harmless Landlord subject to CAO Risk Management Per Risk Mgmt.: - \$5,000,000 per occurrence - Coverage must include premises, contractual, personal injury, products, fire-legal liability, etc - The City and its boards/commissions must be named as additional insureds - Proof of insurance must be provided before possession and upon City's request - To be further defined in sublease agreement
OTHER:	
PRINT:	
SIGNATURE:	