

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 3

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

August 27, 2026

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

Attention: Sharon Gin, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH HOPE THE MISSION AT 7500 - 7570 N FIGUEROA STREET LOS ANGELES, CA 90041 TO OPERATE INTERIM HOUSING

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with Hope the Mission (HTM) to operate a Tiny Home interim housing site on property encompassing parcels under the Department of Recreation and Parks (RAP), as well as parcels owned by Southern California Edison, and the County of Los Angeles (County) located at 7500 - 7570 N. Figueroa St, Los Angeles, CA 90041.

BACKGROUND

This project is also identified as 7541 North Figueroa Street and 7570 N Figueroa Street in previously approved reports from the City Administrative Office (CAO) and Bureau of Engineering (BOE). The County identifies the site address as 7500 North Figueroa Street.

The project consists of a portion of the parking lot owned by the County that is utilized for the Tiny Home Village measuring approximately 24,220 square feet (sf) of the total 42,900 sf project. The project site includes perimeter fencing, sewer lines, utilities, and a pet area. The site also includes 48 pallet shelters, two mobile hygiene stations, two administrative pallet offices, one laundry station, one pallet shelter for security, and one food preparation pallet servicing up to 93 homeless individuals.

The project opened in March 2022. GSD maintains a month-to-month holdover agreement with the County for their portion of the lot. Separately, for the Southern California Edison owned portion, RAP holds the agreement with SoCal Edison, which extends through July 31, 2031.

On May 8, 2026, the Mayor and City Council approved the Fiscal Year 2025-26 Fourth Homelessness Funding Report (C.F. 23-1022-S29), which included authority for GSD to negotiate and execute an agreement with the new operator, HTM. The current service agreement between LAHSA and HTM is pending final execution.



TERMS AND CONDITIONS

The lease agreement with HTM will have no rent and no renewal options subject to the RAP agreement, which currently expires February 28, 2027. There will be an additional one-year option subject to RAP's board approval. The term shall run concurrently with other agreements between RAP and the County of Los Angeles. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

Founded in 2009, Hope the Mission 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.

HTM 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.

The LAHSA service agreement is pending execution.

BUILDING MAINTENANCE/UTILITIES/LANDSCAPING

The City shall only maintain major plumbing and mechanical systems serving the entire site. The Operator, at Operator's expense, shall hire a licensed, bonded electrical service contractor to address any and all 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: exterior gate/fence, 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:

- All electrical components including the switchgear, distribution panels, outlets, lighting, and fixtures. All work must be done using a licensed bonded 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 April 3, 2026 (C.F. 23-1022-S29), approved by the Council and Mayor on May 8, 2026, it was determined that the funding allocation, lease, and continued use for a period of approximately one year for the Eagle Rock Recreation Center Tiny Home Village (THV)/low barrier navigation center at 7570 N. Figueroa Street or those experiencing homelessness, are 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 \$3,021,105 of Measure A Local Solutions Fund to support the operations of 93 beds located at this Tiny Home Village through June 30, 2027. No funding is provided for leasing since the site is controlled by RAP. RAP pays an annual licensing fee to SoCal Edison under its agreement with Edison, while no payment is required to the County for use of the County-owned portion of the property. Accordingly, this is a no-cost lease agreement with the Operator.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommendations in this report. Current operational funding is supported with the Measure A Local Solutions Fund.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this license agreement with Hope the Mission at 7500 - 7570 N. Figueroa St., Los Angeles, CA 90041 for 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	August 2026
LANDLORD	CITY OF LOS ANGELES - GSD
ADDRESS	111 E. FIRST ST. LA, CA 90012
TENANT	HOPE THE MISSION, 501(3) c, nonprofit
ADDRESS	16641 Roscoe Place North Hills, CA 91343
LOCATION	7500 - 7570 N. Figueroa St. LA, CA 90041
AGREEMENT TYPE	Lease
SQUARE FEET	42,900 SF
TERM	Lease Start date until 02/28/2027
RENT START DATE	Upon City Clerk's Attestation
LEASE START DATE	Upon City Clerk's Attestation
OPTION TERM	1 year option subject to RAP Board approval
HOLDOVER	MTM
SUBLET/ ASSIGNMENT	Right to assign to operator with consent
TERMINATION	City may terminate with 30 days notice.
RENTAL RATE	None
ESCALATION	N/A
RENTAL ABATEMENT	None
ADDITIONAL RENT	None
PROPERTY TAX	None
OPEX	None

CAM	None
OTHER	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	The City shall only maintain major plumbing and mechanical systems serving the entire site. The Operator, at Operator's expense, shall hire a licensed, bonded electrical service contractor to address any and all 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: exterior gate/fence, 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: • All electrical components including the switchgear, distribution panels, outlets, lighting, and fixtures. All work must be done using a licensed bonded contractor at 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.
TENANT IMPROVEMENTS	None.
PARKING	None

UTILITIES	Tenant responsible for all utilities
CUSTODIAL	Tenant/operator shall be responsible for the site.
SECURITY	Tenant
PROP 13 PROTECTION	N/A
INSURANCE (City)	Tenant shall indemnify and hold harmless Landlord
OTHER:	
PRINT:	
SIGNATURE:	