Agenda Item No. 7

CITY OF LOS ANGELES

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AND
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April 16, 2020

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

Attention: Armando Bencomo, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LEASE WITH THE WEINGART CENTER ASSOCIATION AT 310 NORTH MAIN STREET, SPACE 300

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with the Weingart Center Association (Weingart) to operate a temporary bridge housing facility at 310 North Main Street, Space 300, Los Angeles, CA 90012.

BACKGROUND

On August 1, 2018, the City Council adopted recommendations from the Homeless and Poverty Committee instructing City staff to evaluate and report on the feasibility of using City owned property at 310 North Main Street (Civic Center) in Council District 14 for interim housing purposes (C.F. 15-1138-S31). The evaluation was completed and the City Council approved funding in a motion on January 29, 2020 (C.F. 19-1570).

The site was previously used as general office space and will be converted into temporary homeless housing. The project is an approximately 14,585 square-foot structure on a 2.38 acre parcel and is suitable for 100 beds (66 cubicles for men and 34 cubicles for women). Improvements include new walls/room partitions, offices, bathrooms, a bin-storage area, and a warming kitchen. The outdoor space includes a pet relief area and common area. The Bureau of Engineering (BOE) will manage the construction of the project with an anticipated opening date of May 2020.

TERMS AND CONDITIONS

The no cost lease with Weingart will be for three years and includes two one-year extension options. The lease term commences on the approval and issuance date of a Certificate of Occupancy. A complete set of terms and conditions are outlined on the attached term sheet.





SHELTER SERVICES

Weingart was selected by the City Administrative Office (CAO) as the non-profit provider lessee to operate this site. Under their management the site will also include personal hygiene and laundry facilities, supportive and community engagement services, and 24-hour security.

Weingart has been in operation for over 90 years. Los Angeles Homeless Services Authority (LAHSA) also holds a contract with Weingart to operate a temporary homeless shelter at 1403 N. Gardner Street. Weingart offers transitional residential programs that provide housing along with comprehensive wrap-around services including case management and other treatment services for each individual's needs. They also provide homeless individuals with the basic skills necessary to stabilize their lives, secure income, and find permanent housing.

BUILDING MAINTENANCE

Weingart will be solely responsible for custodial, utility services except water, and interior repair and maintenance of building systems within the premises up to the connection point of the LA Mall complex. The City will be responsible for building systems from the exterior connection to the space. The CAO advises a maintenance fund is established for the City to pay the water utility bill and the building systems responsibility.

ENVIRONMENTAL

On December 11, 2019, BOE set forth a Notice of Exemption after determining the use at this site is categorically exempt from the California Environmental Quality Act (CEQA) according to Public Resources Code Sections 21080.27 and 21060.3 for City of Los Angeles bridge home shelters, and 21080(b)(4) as a specific action necessary to prevent or mitigate an emergency as also reflected in State CEQA Guideline Section 15269(c).

COMMUNITY BENEFIT ANALYSIS

Inasmuch as A Bridge Home is a City program formed to facilitate temporary housing and social services for homeless individuals, the proposed lease, being necessary for implementation of the subject A Bridge Home project, does not require further analysis of community benefits in support of the Lease.

FUNDING

On January 29, 2020, the City Council approved a motion (C.F. 19-1570) to allocate \$5,232,464 to complete the project design and construction for the site. The motion instructs the Controller to process a Reserve Fund Loan in the amount of \$5,232,464 to support the project, which will be reimbursed through State of California Homeless Housing, Assistance, and Prevention (HHAP) grant receipts. Funding for furniture, fixtures, equipment and operating costs will be allocated by the CAO in a future report using HHAP grant funds.

FISCAL IMPACT

There is no anticipated General Fund financial impact provided the grant funding repays for the authorized reserve fund loan for the project. Total cost is estimated at \$5,232,464 with the understanding the full cost will be offset by the HHAP grant funds.

April 16, 2020

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a new lease agreement with the Weingart Center Association to operate a temporary homeless housing facility at 310 North Main Street, Space 300, under the terms <u>and</u> conditions substantially outlined in this report.

Tony M. Royster General Manager

Attachment: Term Sheet

MFC DATE	04/16/2020
LANDLORD ADDRESS	City of Los Angeles 111 E. 1st Street, Room 201, Los Angeles, CA 90012
TENANT ADDRESS	Weingart Center Association 566 S. San Pedro Street, Space 300, Los Angeles, CA 90012
LOCATION	310 N. Main Street, Space 300, Los Angeles, CA 90012
AGREEMENT TYPE	A Bridge Home Non-profit Lease
USE	Bridge Housing- up to 100 beds, case mgmt, office, storage, pet area
SQUARE FEET	14585
TERM	Three (3) years from Certificate of Occupancy
RENT START DATE	N/A
LEASE START DATE	Date Attested
OPTION TERM	Two (2) one (1) year options
HOLDOVER	Month-to-month
SUBLET/ ASSIGNMENT	No Right to Sublease/Assign
TERMINATION	City may terminate with 30 days notice
RENTAL RATE	\$0.00
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	\$200 monthly trash compactor fee
PROPERTY TAX	N/A
OPEX	N/A
CAM	N/A

OTHER	N/A
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Tenant
MAINTENANCE/ REPAIR DETAILS	Upon possession, tenant shall be responsible for daily and preventative maintainence of major Building Systems - HVAC, FLS, Electrical, and Plumbing within the Premises up to the connection point.
TENANT IMPROVEMENTS	City of LA shall perform TI work per the approved plan under BOE's direction
PARKING	Subject to availability, \$132/month/space in LA Mall, \$75/month/space in Lot 7
UTILITIES	Tenant responsible for all utilities except water
CUSTODIAL	Tenant responsible
SECURITY	Tenant responsible
PROP 13 PROTECTION	City is Exempt
INSURANCE (City)	Tenant shall indemnify and hold harmless the City
INSURANCE (Landlord)	Tenant shall indemnify and hold harmless the City
OTHER:	Loading dock and freight elevator access Mon-Fri. Other hours to be determined. Landlord's Repair and Maintainence Responsibilities: Landlord responsible for Building systems from exterior connection to Premises and major maintainence items including but not limited to HVAC, FLS, electrical, plumbing. Limited manufacturer's warranty to equipment.