

CITY OF LOS ANGELES

CALIFORNIA

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October 28, 2021

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 SUBLEASE AT 2301 W. THIRD STREET, LOS ANGELES, CA 90057  
WITH URBAN ALCHEMY TO OPERATE INTERIM HOUSING SITE**

The Department of General Services (GSD) requests authority to negotiate and execute a sublease with Urban Alchemy to operate a Tiny Home Village located at 2301 W. Third Street, Los Angeles, CA 90057 in Council District 13 for interim housing.

**BACKGROUND**

The City's Homeless Coordinator requested GSD proceed with the negotiation of a 60-month lease with Daughters of Charity Foundation (DOCF) for the use of a surface parking lot that is approximately 26,900 square feet in order to design, construct, establish and operate an interim housing project. The site is located in Council District 13.

Through this sublease, the City shall sublease the site to Urban Alchemy to operate an interim housing project that shall include, among other things, approximately 56 tiny homes (including three Americans with Disabilities Act compliant single beds), administration offices, two hygiene mobile units with restrooms, showers and lavatories, drinking fountains, designated seating area for food services, pet relief area, staff parking, lockers, perimeter fencing, utilities and a guard station.

The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected completion date of December 2021.



## **TERMS AND CONDITIONS**

The sublease term will commence upon final issuance of the Certificate of Occupancy for a term of approximately 60 months. City shall have the unilateral right to terminate the sublease. A complete set of terms and conditions are outlined on the attached term sheet.

## **SHELTER SERVICES**

Urban Alchemy was founded in 2018 in order to bring a sense of peace and respect to America's most chaotic urban areas that are struggling with the intersection of extreme poverty, addiction, mental illness, and hopelessness. They currently provide services in Council District 13 as the operator of a Mobile Pit Stop program, a Safe Sleep pilot program, and a similar Tiny Home Village site located at 1455 Alvarado Street. LAHSA will execute a service contract with Urban Alchemy to operate this site.

## **BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING**

The City will maintain major building systems including plumbing, electrical, other structural components of the trailers and tiny homes, mechanical systems, and all doors including hardware, door frames, and door openers, except for reasonable use and wear and damage resulting from negligent or other acts or omissions of Urban Alchemy.

Urban Alchemy will provide routine daily repair and maintenance including, without limitation, interior and exterior light fixture lamps, interior paint, damaged glass, smoke detectors, fire extinguishers, HVAC, localized plumbing drain backups which do not affect the mainline, graffiti removal, and damage resulting from negligent or other acts or omissions of Urban Alchemy and its parties. This also includes, without limitation, replacement or repair of fixtures, electrical outlets, plumbing, and HVAC damaged as a result of intentional destruction of such property. Furthermore, Urban Alchemy will also maintain fire and life safety compliance and other regulatory requirements.

Urban Alchemy will also maintain any landscaping, if any.

The CAO advises an A Bridge Home Maintenance Fund through the CIEP 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 June 2, 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.

**COMMUNITY BENEFIT ANALYSIS**

Inasmuch as the COVID-19 Homelessness Roadmap formed to facilitate temporary housing and social services for homeless individuals, the proposed sublease, being necessary for implementation of the subject Tiny Home Village project, does not require further analysis of community benefits in support of the sublease.

**FUNDING**

The estimated project costs for construction are approximately \$5 million. On June 2, 2021, the City Council approved CAO funding recommendations (CF 20-0841) authorizing \$4,964,900 from the Additional Homeless Services General City Purpose Fund and \$10,000 from the Homeless Housing, Assistance, and Prevention (HHAP) Grant Fund.

An operational budget of \$1,510,735 for furniture, fixtures, and equipment (\$5,990) and operations/services through June 30, 2022 (\$1,504,745), and a leasing budget of \$391,000 through June 30, 2025 were approved. These funds are from the Homelessness Efforts – County Funding Agreement Fund.

**FISCAL IMPACT**

There is no impact to the General Fund. The cost to construct this project is estimated to be \$8.9 million Dollars. The Council and Mayor previously approved funding to finance this project as follows: \$7,928,227 from the COVID-19 Federal Relief Fund and \$966,204 from the Homeless Emergency Aid Program (HEAP) for construction, and \$3,467,250 from the Emergency Solutions Grant – COVID for operations.

**RECOMMENDATION**

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a sublease with Urban Alchemy at 2301 W. Third Street, Los Angeles, CA 90057 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

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LANDLORD

ADDRESS

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TENANT

ADDRESS

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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	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See Maintenance/Repairs Details below.
MAINTENANCE/ REPAIR DETAILS	Upon taking possession, Sublessee will provide basic and routine daily maintenance throughout the site including plumbing, electrical, HVAC and fire life safety
TENANT IMPROVEMENTS	None
PARKING	None
UTILITIES	Sublessee shall be responsible for all utilities
CUSTODIAL	Sublessee shall be responsible for all custodial
SECURITY	Sublessee shall be responsible for security on site
PROP 13 PROTECTION	Other n/a
INSURANCE	Sublessee shall indemnify and hold harmless the City
OTHER:	