

MUNICIPAL FACILITIES COMMITTEE
Minutes from the Regular Meeting of March 28, 2024

MEMBERS: Matthew Szabo, Office of the City Administrative Officer, Chair (CAO)
Sharon Tso, Office of the Chief Legislative Analyst (CLA)
Bernyce Hollins, Office of the Mayor (Mayor)

The meeting was called to order at 10:07 a.m.

General Public Comment No public comment.

Item 3 Report from the Bureau of Engineering (BOE) requesting authority to proceed with the Non-Ductile Concrete Building Project.

Disposition: Approved as amended, to instruct BOE to report back on the design, construction cost, and proposed construction schedule upon the completion of the feasibility study for the first eight buildings; report back on the pre-design and design budget for the second phase of the feasibility study for the remaining six buildings; to amend the reordering of feasibility studies based on building occupancy; and to report back on the project impact on Mayfair Hotel.

Matthew Szabo, CAO, requested that Item No. 3 be taken out of order to precede Item No. 1.

Ohaji Abdallah, BOE, provided a summary of the report recommendations to comply with Ordinance 183893 requirements. Adrian Hwang, BOE, stated that eight out of 14 City owned buildings require retrofit or demolition plans to be permitted by December 2027 and the remaining six buildings by October 2028. Mr. Hwang added that BOE requested \$1,600,000 for the Fiscal Year 2024-25 budget process to fund the pre-design and design activities for the eight prioritized buildings. Moreover, Mr. Hwang reported that a CTIEP request will be made in the Fiscal Year 2025-26 to fund for pre-design and design costs for the remaining six buildings.

Mr. Szabo, CAO, requested clarification on whether there is available funding for the initial feasibility studies. Mr. Abdallah clarified that BOE does not have funding for the initial feasibility studies and that BOE has requested funding in 2024-25 budget to initiate the feasibility study. Mr. Abdallah added that the project budget will be adjusted as needed after the feasibility study is completed.

Mr. Szabo, CAO, asked for confirmation that the feasibility study for the eight buildings will be completed within a year after receiving the requested funding in 2024-25. Mr. Abdallah confirmed that the feasibility study will be completed within a year.

Sharon Tso, CLA, inquired about the likelihood of a need for demolition or major structural retrofit of the buildings after the feasibility studies are completed. Mr. Abdallah clarified that depending the results of the feasibility study, some buildings may require a major structural retrofit, although this may not apply to all buildings. Ms. Tso asked whether the City is anticipating that some of the City-owned buildings would fall under the Non-Ductile Concrete Review when the Ordinance was adopted in 2015. Mr. Abdallah clarified that although he was not involved in the Ordinance, it is likely that the City may have anticipated that some buildings would be identified under the Ordinance. Ms. Tso requested fully occupant buildings be prioritized over vacant buildings.

Mr. Szabo inquired about the level of coordination with other departments to ensure effective use of money while projects overlap. Mr. Abdallah ensured that the project will be carried out to avoid destruction to other ongoing projects at the buildings listed to avoid pauses on ongoing projects and inefficient use of funds.

Ms. Tso requested clarification on whether the Mayfair Hotel is listed as one of the projects. Mr. Abdallah stated that the Mayfair Hotel may need to be added as a project as it is a newly acquired City-owned building after the Ordinance was adopted. Mr. Abdallah added that CBRE has some seismic work embedded into the Mayfair Hotel project.

Item 1 Minutes of the February 29, 2024 Regular Meeting.

Disposition: Approved on consent.

Item 2 Report from General Services Department (GSD) requesting authority to negotiate and execute a lease amendment agreement between the City and S&R Partners, LLC, for space for Los Angeles Department of Transportation, Los Angeles Police Department, Bureau of Street Services, and GSD at 1016 North Mission Road, subject to Council and Mayor approval.

Disposition: Approved.

Sharon Tso, CLA, asked whether the purchase of the property has been considered as an option. Lisa Schechter, GSD, responded that the owner of the site, the Riboli Family Trust, has no desire to sell the property and agreed to a five-year lease term as a result.

Item 4 Report from CAO relative to the operations and maintenance of the Mayfair Hotel Project at 1256 West 7th Street.

Disposition: Noted and filed.

Michael Zambrano, CAO, provided an overview of the report including the operations plan, exterior maintenance plan, and an exit plan as instructed by the Council. Mr. Zambrano reported that \$11.9 million annually for base services is funded by 2023-24 General City Purposes line item, Homelessness Emergency Account, and \$4.9 million for enhanced services is funded by the County's Encampment Resolution Fund (ERF) Round 2. Mr. Zambrano added that the first year of operations and maintenance cost is supported by the Homelessness Emergency Account in the amount of \$5.07 million, including \$3.4 million for security provided by the Weingart Center Association (WCA). Mr. Zambrano concluded that there is a potential future General Fund impact of \$5.07 million for annual facility operations and \$11.9 million for base participant services.

Sharon Tso, CLA, asked whether the \$11.9 million base participant services cost will be budgeted for the second year and whether the Homelessness Emergency Fund for the first year will be reimbursed. Mindy Pothongsunun, CAO, replied that the \$11.9 million for the second year will be budgeted and that the first year fund will not be reimbursed. Ms. Tso inquired as to whether the clean team is funded. Ms. Pothongsunun responded that the clean team is funded. Ms. Tso asked if the Street Lighting Plan is funded. Ms. Pothongsunun answered that the street lighting is not funded and that a cost analysis will be included in a pending report.

Ms. Tso requested clarification on the security coverage and the employee schedule. Tanja Boykin, WCA, explained that there will be 20 guards each shift and the guards rotate to allow for vacation and days off. Ms. Tso inquired if there are security cameras outside of the Hotel. Ms. Boykin confirmed that there are cameras inside and outside the Hotel.

Ms. Tso asked about the plan for the 140 individuals from Grand housing that are ineligible for the ERF. Ms. Pothongsunun replied that the ineligible participants from Grand will be housed in other facilities, which is coordinated by LAHSA, to demobilize by July 2024.

Matthew Szabo, CAO, inquired how the level of services compare to the services provided in other interim housing. Ms. Pothongsunun responded that the bed rate has increased and there are enhanced services that add to the cost. Mr. Szabo requested an explanation on the staffing of the clinics. Ms. Boykin replied that there is one medical and one mental health clinic with staff offering 24-hour care services.

Mr. Szabo asked whether WCA works with university medical facilities and whether they can help continue offering the enhanced medical services from the third year to avoid using funds from the General Fund. Ms. Boykin responded that WCA works with university clinics to offer medical services at other interim housing and that she will look into working with those universities to offer continued medical services at Mayfair Hotel from the third year.

Ms. Tso asked whether WCA is comfortable with the level of funding and services. Ms. Boykin replied that she worked on the budget and that she feels the funding is comprehensive for housing unhoused individuals.

Item 5 ADJOURN TO CLOSED SESSION:

- a. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**, pursuant to Government Code Section 54956.8

Property Location: Real property located at: 555 West Fifth Street, Los Angeles, CA (APN: 5149-029-013)

Property Owner: Gregg Williams, Receiver for Maguire Properties - 555 West Fifth, LLC

Agency negotiator/presenters:

Amy Benson, Director, Real Estate Division, General Services Department;
Wayne Lee, Senior Real Estate Officer, General Services Department;
Melody McCormick, Assistant General Manager, General Services Department;
Onno Zwaneveld, Executive Vice President, CBRE, Inc.

Negotiating Parties: City of Los Angeles, Department of General Services;
Gregg Williams, Receiver for Maguire Properties - 555 West Fifth, LLC

Under Negotiation: Price and terms of payment of lease agreement

Matt Szabo, CAO, had an urgent matter to attend to and Yolanda Chavez, completed the meeting representing the CAO.

- b. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION, pursuant to Government Code Section §54956.9 (d)(1):** City of Los Angeles v. HRRP Garland, LLC, Los Angeles Superior Court Case No. STCV02214
- c. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**, pursuant to Government Code Section 54956.8

Property Location: Real property located at: 221 North Figueroa St., Los Angeles, CA (APN: 5161-006-909)

Property Owner: City of Los Angeles

Agency negotiator/presenters:

Amy Benson, Director, Real Estate Division, General Services Department;
Wayne Lee, Senior Real Estate Officer, General Services Department;
Melody McCormick, Assistant General Manager, General Services Department;

Negotiating Parties: City of Los Angeles, Department of General Services; Department of Water and Power

Under Negotiation: Price and terms of lease agreement

RECONVENE OPEN SESSION AND REPORT ACTION TAKEN IN CLOSED SESSION

Meeting reconvened to Public Session at 11:24 a.m.

CLOSED SESSION ANNOUNCEMENTS

No Closed Session announcements.

Item 6 Adjournment – Next Meeting: Special Meeting, Thursday, April 11, 2024.

The meeting adjourned at 11:24 a.m.