# CITY OF LOS ANGELES

TONY M. ROYSTER GENERAL MANAGER AND CITY PURCHASING AGENT California

Agenda Item No. 2

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



ERIC GARCETTI MAYOR

September 15, 2022

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 LEASE AMENDMENT TO EXTEND A LEASE WITH LOS ANGELES MISSION AND A SUBLEASE EXTENSION WITH PEOPLE ASSISTING THE HOMELESS (PATH) AT 1920 W. 3rd STREET LOS ANGELES, CA TO OPERATE AN INTERIM HOUSING SITE

The Department of General Services (GSD) requests authority to negotiate and execute a lease amendment with the Los Angeles Mission (LA Mission) and the sublease with People Assisting the Homeless (PATH) for the operation of A Bridge Home site located at 1920 W. Third Street Los Angeles, CA 90057 in Council District 1 for interim housing.

#### BACKGROUND

The City's Homeless Coordinator requested that GSD proceed with the negotiation of a 36-month extension lease with LA Mission for approximately 6,271 square feet (sf) at this existing A Bridge Home site for women and families. Subsequently, GSD will amend the sublease agreement with PATH. The site is located in Council District 1.

The facility was utilized as a shelter by a non-profit until December 2017 when the City leased it in 2018. The 10,271-sf property consists of two floors, including 6,271 sf of living space and a 4,000 sf basement. The lease agreement is calculated on the living space only. The facility accommodates approximately 28 women on the main floor and up to five families on the second floor. It also includes storage for residents, three bathrooms/showers, laundry facilities, supportive and community engagement services and security.

## TERMS AND CONDITIONS

The lease and sublease amendments are effective as of April 1, 2022 for 36 months. A complete set of terms and conditions are outlined on the attached term sheets.

#### BUILDING MAINTENANCE, UTILITIES, AND LANDSCAPING

The landlord, LA Mission, maintains major building systems including plumbing, electrical, roofing, 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 by the provider.

Subsequently, PATH provides routine daily and limited preventative maintenance including interior and exterior light fixture lamps, interior paint, smoke detectors, fire extinguishers, localized plumbing drain backups which do not affect the mainline, and damage resulting from negligent or other acts or omissions by the provider.

Furthermore, the Landlord, LA Mission will also maintain any landscaping, if any.

## **ENVIRONMENTAL**

On August 24, 2022, City Council determined that this interim housing project involved in this approval was exempt from the California Environmental Quality Act (CEQA) and approved the project (CF No. 20-0841-S25). 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.

## **FUNDING**

On June 7, 2022, the City Council approved CAO funding recommendations (CF 20-0841-S25) authorizing a total of \$767,448 from the Additional Homeless Services - General City Purpose (AHS-GCP) Fund through June 30, 2023. This includes \$613,200 that was approved for operational costs, and \$154,248 for leasing costs. Funds for construction were not recommended since site improvements will be funded by LA Mission.

## FISCAL IMPACT

There is no anticipated impact to the General Fund at this time. In Fiscal Year 2022-23, the annual cost to operate this site is \$613,200 and \$154,248 to lease. Additional Homeless Services - General City Purpose (AHS-GCP) Funds can be recommended for any future costs, including maintenance that will be required in the future.

#### RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease amendment to extend with the landlord, Los Angeles Mission and a subsequent sublease extension between the City of Los Angeles and People Assisting the Homeless (PATH) at 1920 W. Third Street Los Angeles, CA for an interim housing site under the terms and conditions substantially outlined in this report.

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Tony M. Royster General Manager

Attachments: Term Sheet - LA Mission, Inc. Term Sheet - People Assisting the Homeless

# LEASING TERM SHEET

MFC DATE	09/15/2022
LANDLORD	LA Mission, Inc.
ADDRESS	303 E. 5th Street, LA, CA 90013
TENANT	City of LA - GSD
ADDRESS	201 S. Los Angeles 2nd Floor LA, CA 90012
LOCATION	1920 W. 3rd Street LA, CA 90057
AGREEMENT TYPE	Modified Gross Lease
USE	Interim Housing
SQUARE FEET	6,271 square feet
TERM	3 years
RENT START DATE	04/01/22
LEASE START DATE	04/01/22
OPTION TERM	One 3 year option w/ notice
HOLDOVER	N/A
SUBLET/ ASSIGNMENT	Right to Sublease
TERMINATION	03/31/25
RENTAL RATE	\$12,854.00/month - \$2.00/PSF
ESCALATION	4% annual increase
RENTAL ABATEMENT	None
ADDITIONAL RENT	None
PROPERTY TAX	None
OPEX	None
CAM	None

OTHER	None
SECURITY DEPOSIT	\$11,539 apply to base rent
MAINTENANCE/ REPAIR	Landlord
MAINTENANCE/ REAPAIR DETAILS	Landlord fixes all common areas and general maintenance of site
TENANT IMPROVEMENTS	None
PARKING	Per current arrangement, modifed on 30 day basis as needed
UTILITIES	Included in rent
CUSTODIAL	Included in rent
SECURITY	Landlord provides
PROP 13 PROTECTION	None
INSURANCE	City shall indemnify and hold harmless Landlord
OTHER:	

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# LEASING TERM SHEET

MFC DATE	09/15/2022
LANDLORD	City of Los Angeles -GSD
ADDRESS	201 S. Los Angeles 2nd Floor LA, CA 90012
TENANT	People Assisting the Homeles (PATH)
ADDRESS	340 N. Madison Ave. Los Angeles, CA 90004
LOCATION	1920 W. 3rd Street LA, CA 90057
AGREEMENT TYPE	Modified Gross Lease
USE	Interim Housing
SQUARE FEET	6,271 square feet
TERM	3 years
RENT START DATE	04/01/22
LEASE START DATE	04/01/22
OPTION TERM	One 3 year option w/ notice
HOLDOVER	N/A
SUBLET/ ASSIGNMENT	Right to Sublease with Landlord's Consent and Approval
TERMINATION	03/31/25
RENTAL RATE	\$0
ESCALATION	None
RENTAL ABATEMENT	None
ADDITIONAL RENT	None
PROPERTY TAX	None
OPEX	None
CAM	None

OTHER	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Tenant 🔽
MAINTENANCE/ REAPAIR DETAILS	Master Landlord, LA Mission, shall be responsible for all common areas and general maintenance of site. Tenant shall be responsible for daily and preventative maintenance.
TENANT IMPROVEMENTS	None. Landlord shall perform some work under PATH's request
PARKING	As available on Premises
UTILITIES	PATH shall be responsible for all utilities
CUSTODIAL	PATH shall be responsible for all utilities
SECURITY	PATH shall be responsible for all security of the site
PROP 13 PROTECTION	None 🔽
INSURANCE	PATH shall indemnify and hold harmless Landlord
OTHER:	