

CITY OF LOS ANGELES

CALIFORNIA

Agenda Item No. 2

TONY M. ROYSTER
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AND
CITY PURCHASING AGENT



ERIC GARCETTI
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November 19, 2020

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

Attention: Armando Bencomo, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LEASE
AT 6065 RESEDA BLVD WITH LOS ANGELES COUNTY METRO
TRANSIT AUTHORITY FOR USE AS TEMPORARY HOMELESS HOUSING**

The Department of General Services (GSD) requests authority to negotiate and execute a lease with Los Angeles County Metro Transit Authority (MTA) for a parking lot located at 6065 N Reseda Blvd, Tarzana, CA 91335 for temporary homeless housing.

BACKGROUND

This project is also identified as 18616 W. Topham Street/6073 N. Reseda Boulevard in previously approved reports from the City Administrative Office (CAO) and Bureau of Engineering (BOE). MTA identifies the site address as 6065 N Reseda Blvd, which will be the address used in the lease agreement.

On July 7, 2020 The City Council approved a motion to develop Council District-specific interventions as part of the COVID-19 Homelessness Roadmap (CF 20-0841). Subsequently, a report from the CAO was approved on September 30, 2020. This report included a recommendation requesting the Department of General Services to negotiate and execute a lease with the MTA for an MTA Orange Line Busway Transit Station parking lot in Council District 3 for up to five years.

The approximately 28,780 square foot MTA site will be leased by the City, then subleased to a service provider selected by Council District 3 and the Los Angeles Homeless Services Authority. The BOE is providing project design and management oversight for pallet shelters hosting 146 beds, two hygiene trailers, two free-standing shade structures, two administration/laundry structures, and an exterior dining area.



FUNDING

The estimated tenant improvement project costs are approximately \$3.4 million. On September 30, 2020 the City Council adopted a motion (CF 20-0841) authorizing \$3.354 million from the COVID-19 Federal Relief Fund and \$30,000 from the Homeless Emergency Aid Program (HEAP).

An operational budget of \$3.597 million will be included in the next funding report from the CAO to support operations through June 2022. These funds will be from the CARES Act Emergency Solutions Grant (ESG-COVID).

SHELTER SERVICES

The service provider will be via a sole source agreement between the Council Office, LAHSA, and operator.

COMMUNICATION AND FURNITURE, FIXTURES, AND EQUIPMENT

The City will provide separate funding to accommodate the communication, data, staff phones, all the furniture, pallet homes, office equipment, desks, chairs, and associated start-up furnishing required to equip the premises. Funds totaling \$62,000 from the CARES Act Emergency Solutions Grant (ESG-COVID) will be included in the next funding report from the CAO.

BUILDING MAINTENANCE

The CAO advised the A Bridge Home Maintenance Fund will be utilized for the City to maintain major building systems of the shelter sites including heating, ventilation, air conditioning, water heater, fire alarm, and sprinkler system. The City will also maintain the shelters exterior walls, structural condition of interior walls, exterior roof, plumbing and electrical systems.

LAHSA and its selected provider will directly set up utility services with utility providers as well as be responsible for maintenance of light fixtures, smoke detectors, provide fire extinguishers, maintenance of exterior lighting, and basic maintenance of plumbing such as clogged drains.

It is noted there is no landscaping to maintain at this site.

ENVIRONMENTAL

On September 30, 2020, 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). Although the documents in this action refer to 6065 Reseda Blvd., the location is the same, and the project to be leased, constructed, and operated is the same, as that referenced by City Council as 6073 N. Reseda Blvd. and 18616 W. Topham Street in its approval on September 30, 2020 (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 homeless shelters; and because the project is partly funded by Homeless Emergency Aid Program funds, it is exempt under Governor's Order N-32-20; as set for in the Notice of Exemption in the Council's prior action.

TERMS AND CONDITIONS

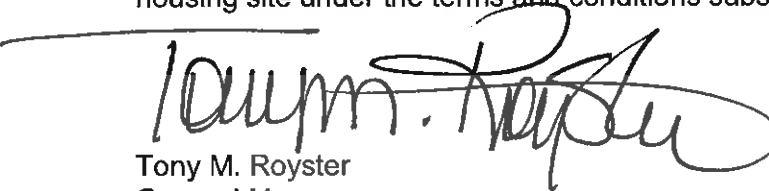
The lease will be for three years and include one two-year extension option. MTA will have the unilateral right to terminate the lease with a 180-day notice at any time after the third lease year. The lease term commences on the day after approval and issuance of a Certificate of Occupancy. The Bureau of Engineering will oversee design and construction of the site. A complete set of terms and conditions are outlined on the attached term sheet.

FISCAL IMPACT

There is no impact to the General Fund. The cost to construct this project is estimated to be \$3.384 million. The Council and Mayor previously approved funding to finance this project as follows: \$3.354 million from the COVID-19 Federal Relief Fund and \$30,000 from the Homeless Emergency Aid Program (HEAP). \$3.659 million from CARES Act Emergency Solutions Grant (ESG-COVID) will be included in the next funding report from the CAO for operations and start-up furniture costs.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this lease with MTA at 6065 Reseda Boulevard for a temporary homeless 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

LANDLORD

ADDRESS

TENANT

ADDRESS

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

SECURITY DEPOSIT

MAINTENANCE/
REPAIR

MAINTENANCE/
REPAIR DETAILS

TENANT
IMPROVEMENTS

PARKING

UTILITIES

CUSTODIAL

SECURITY

PROP 13
PROTECTION

INSURANCE
(City)

INSURANCE
(Landlord)

OTHER: