

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 3

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
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February 25, 2021

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

Attention: Armando Bencomo, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LICENSE WITH HOPE OF THE VALLEY RESCUE MISSION AT 6099 LAUREL CANYON BLVD TO OPERATE INTERIM HOUSING

The Department of General Services (GSD) requests authority to negotiate and execute a license agreement with Hope of the Valley Rescue Mission (HVRM or Licensee) to operate a Tiny Home interim housing site on Recreation and Parks (RAP) owned property located at 6099 Laurel Canyon Blvd., North Hollywood, CA 91606.

BACKGROUND

On September 9, 2020, the City Council approved the City Administrative Officer (CAO) Funding Recommendations for COVID-19 Homelessness Roadmap Projects for the construction of Tiny Home Village interim housing including this one in Council District 2 (CD2) (CF 20-0841).

Prior to that, on August 6, 2020 the Board of Recreation and Park Commissioners approved a report to utilize a portion of the City owned and RAP controlled Valley Plaza Park and convert it from undeveloped land to a temporary housing site (No 20-161). The report also authorized RAP's General Manager, or designee, which may include another City Department, to issue a license to a housing operator for the operation, security, and maintenance of the project. GSD will execute the license agreement with HVRM allowing them to operate the site via a service contract with LAHSA under the COVID-19 Homeless Roadmap Program.

The southeast portion of the Valley Plaza Park, also referred to unofficially as Alexandria Park, measures approximately 236,725 square feet (s.f.) and is separated from the larger park by the SR-170 Hollywood Freeway. Construction includes perimeter fencing, sewer lines, utilities, site lighting, and an access road. The 75,000 s.f. site includes 103 pallet shelters, three mobile hygiene stations, two administrative offices, and a storage pallet servicing up to 200 homeless



individuals. Two large gathering spaces in front of the administrative offices include a dining area, picnic tables, umbrellas for shade, a pet area, and a garden. The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected completion date of April 21, 2021.

TERMS AND CONDITIONS

The three-year license agreement with HVRM will have no rent and no renewal options. The term will commence upon the final approval and issuance of the Certificate of Occupancy. A complete set of terms and conditions are outlined on the attached term sheet.

SHELTER SERVICES

Founded in 2009, HVRM is a faith-based compassion ministry that focuses on spiritual, emotional, physical, relational, occupational, and financial needs of their clients. Their two-pronged approach starts with crisis intervention then bridges clients, when they are ready, into long-term services that address chronic obstacles.

HVRM aims to help clients find a job or form of public assistance, medical and mental health services, substance abuse counseling and recovery, and housing placement.

LAHSA will execute a service contract with HVRM to operate the site.

BUILDING MAINTENANCE, UTILITIES AND LANDSCAPING

The City will maintain major building systems including plumbing, electrical, roof membrane, mechanical systems, and all doors, door frames, and door openers, except for reasonable use and wear and damage resulting from negligent or other acts or omissions of the Licensee or Licensee's Parties. The City will also maintain fire life safety compliance and other regulatory requirements.

HVRM will provide routine daily maintenance including interior and exterior light fixture lamps, interior paint, fire extinguishers, localized plumbing drain backups which do not affect the mainline, and damage resulting from negligent or other acts or omissions of HVRM and its parties. This includes replacement or repair of fixtures, electrical outlets, plumbing, and HVAC damaged as a result of intentional destruction of such property.

HVRM 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.

Landscaping, if any, will be maintained by HVRM.

The CAO advises 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 a funding source for Tiny Home and additional Roadmap sites which will be recommended in a subsequent report.

ENVIRONMENTAL

On September 9, 2020, the 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 20-0841). In its action, the City Council determined that the project is statutorily exempt under Public Resources Code Section 21080(b)(4) as a specific action necessary to prevent or mitigate an emergency as also reflected in CEQA Guideline Section 15269(c); Public Resources Code section 21080.27 (AB 1197) applicable to City of Los Angeles bridge homeless shelters; and, because the project uses "Homeless Emergency Aid Program funds," it is exempt under Governor's order N-32-20, as set forth in the Notice of Exemption in the City Council's prior action.

COMMUNITY BENEFIT ANALYSIS

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

FUNDING

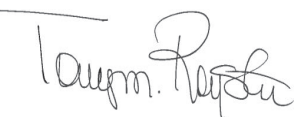
A total of \$14,637,515 has been approved for construction costs including \$8,426,300 from the COVID-19 Federal Relief Fund (CRF) and \$30,000 from the Homeless Emergency Aid Program. On November 24, 2020, \$6,181,215 from the Homeless Housing, Assistance, and Prevention Program (HHAP) was approved to add funding to reflect actual costs based on contractor bid amounts and to ensure construction continued without delay if the December 30, 2020 CRF expenditure deadline was not extended. Additionally, \$4,776,500 from the Emergency Solutions Grant (ESG-COVID) was approved for operations, including services, through June 30, 2022.

FISCAL IMPACT

There is no anticipated General Fund impact providing the grant funding repays for the authorized reserve fund loan for the project. Initial project funding of \$6.1 million was approved by Council with the understanding the full cost will be offset by the HHAP grant funds.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this license agreement with Hope of the Valley Rescue Mission at 6099 Laurel Canyon Blvd., North Hollywood, CA 91606 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	2/25/2021
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LANDLORD	City of Los Angeles
ADDRESS	111 E 1st Street, Room 201, Los Angeles, CA 90012
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TENANT	Hope of the Valley
ADDRESS	11076 Norris Ave, 2nd Floor, Pacoima, CA 91331
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LOCATION	6099 Laurel Canyon Blvd., North Hollywood, CA 91606
AGREEMENT TYPE	Zero Dollar Receivable License
USE	Operation of an interim housing facility
SQUARE FEET	Approximately 75,000 SF
TERM	36 months from issuance of Certificate of Occupancy
RENT START DATE	Upon final issuance of Certificate of Occupancy
LEASE START DATE	Date attested
OPTION TERM	None
HOLDOVER	Month to Month
SUBLET/ ASSIGNMENT	Right to Sublease/Assign - Landlord approval
TERMINATION	Upon uncured default
RENTAL RATE	\$0
ESCALATION	N/A
RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
PROPERTY TAX	N/A
OPEX	Licensee
CAM	N/A

OTHER	
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	Other Licensee
MAINTENANCE/ REPAIR DETAILS	Licensee, except Building Systems under warranty and limited to City's purview
TENANT IMPROVEMENTS	BOE will provide design and management.
PARKING	N/A
UTILITIES	Licensee responsible to directly contract utility services
CUSTODIAL	Licensee
SECURITY	Licensee
PROP 13 PROTECTION	City is Exempt
INSURANCE (City)	Tenant shall indemnify and hold harmless the City
INSURANCE (Landlord)	Other
OTHER:	City is self insured. City has the right to terminate the license for convenience.