

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 3

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DEPARTMENT OF
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April 15, 2021

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

Attention: Michael Espinosa, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A LICENSE AGREEMENT WITH THE SALVATION ARMY AT 1221 FIGUEROA PLACE TO OPERATE INTERIM HOUSING

The Department of General Services (GSD) requests authority to negotiate and execute a license agreement with The Salvation Army (TSA or Licensee) to operate a Tiny Home interim housing site on Recreation and Parks (RAP) owned property located at 1221 N Figueroa Pl., Wilmington, CA 90744.

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 15 (CD15) (CF 20-0841).

Subsequently, on September 17, 2020 the Board of Recreation and Park Commissioners approved a report to utilize a portion of the City owned and RAP controlled Ken Malloy Harbor Regional Park and convert it from an underutilized parking lot to a temporary housing site (No 20-179). 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 TSA allowing them to operate the site via a service contract with LAHSA under the COVID-19 Homeless Roadmap Program.

The portion of the parking lot allocated for the Tiny Home Village measures approximately 47,800 square feet (sf). Construction includes perimeter fencing, sewer lines, utilities, and a pet area. The site includes 77 pallet shelters, two mobile hygiene stations, one administrative office, one food preparation pallet, and a storage pallet servicing up to 80 homeless individuals. A large



gathering space outside of the administrative offices includes a dining area, picnic tables, and umbrellas for shade. The Bureau of Engineering (BOE) is providing project design and construction management oversight with an expected completion date of May 5, 2021.

TERMS AND CONDITIONS

The three-year license agreement with TSA 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

TSA was selected by CD15 and the Office of the City Administrative Officer as the non-profit organization to operate this site. TSA assists approximately 23 million Americans annually and serves in 103 countries. They have over 1.5 million members and have been pursuing their mission since 1865.

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

BUILDING MAINTENANCE/UTILITIES/LANDSCAPING

The City will maintain major building systems including plumbing, electrical, roof, 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 the TSA or TSA's Parties. The City will also maintain smoke detectors, fire life safety compliance and other regulatory requirements.

TSA will directly set up utility services with utility providers as well as 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 TSA 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. TSA will provide fire watch at a level approved by the Los Angeles Fire Department. Landscaping, if any, will be maintained by TSA.

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 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-S2). 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

This Tiny Home Village site is part of the COVID-19 Homelessness Roadmap. A total of \$1,897,335 was previously approved in Emergency Solutions Grant-COVID funds for operations and services through June 30, 2022 (\$1,798,500), and for furniture, fixtures, and equipment (\$98,835).

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 will be \$1,606,000. The City portion of this cost after the County Commitment to Roadmap operations will be \$803,000. Funding for these costs will be considered through the City's annual budget process, which is subject to Mayor and Council approval.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this license agreement with The Salvation Army at 1221 Figueroa Pl., Wilmington, CA 90744 for an interim housing site under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet

LEASING TERM SHEET

MFC DATE	04/15/2021
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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	The Salvation Army
ADDRESS	16941 Keegan Avenue, Carson, CA 90746
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LOCATION	1221 S Figueroa Pl., Wilmington, CA 90744
AGREEMENT TYPE	Zero Dollar Receivable License
USE	Operation of an interim housing facility
SQUARE FEET	Approximately 47,800 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:	<p>City is self insured.</p> <p>City has the right to terminate the license for convenience.</p> <p>TSA to provide fire watch services.</p>