



# ACQUISITION OF 702 W. ANAHEIM STREET

City Council Meeting – June 13, 2023

# Expanding Shelter Capacity

- In the lead up to the City's emergency proclamation on homelessness, the City saw a historic increase in people experiencing homelessness, and the demand for beds continued to exceed available resources.
- In December 2022, an emergency Winter Shelter was set up in East Long Beach at Community Hospital with 81 beds, which was filled to capacity within a week.
- Following the City's emergency proclamation in January 2023, adding shelter capacity was identified as a top priority to meet the growing need.

# Establishing a Long-Term Emergency Shelter

- With the lease for the emergency shelter at Community Hospital set to end on April 28, 2023, the City quickly identified an alternative site to ensure continuity of services for participants, and a short-term lease was negotiated under emergency orders for the 702 W. Anaheim property.
- The emergency proclamation helped to establish operations and transition participants from Community Hospital to the Rescue Mission site without a gap in services—in record time.
- The City was able to execute the lease for interim operations at the site through the authorities under the emergency proclamation while continuing to pursue options to purchase the site.

# Community Commitments

- Under the City's emergency proclamation, the City has established the following commitments:
  - Engaging community members in neighborhoods immediately impacted by a new site;
  - Ensuring that potential sites do not have current programming;
  - Leaving the site better than how we found it; and,
  - Evaluating site availability across the City.

# Community Engagement

- Leading up to the temporary lease at 702 W. Anaheim, the City conducted outreach to the surrounding neighborhood through in-person, email, and phone calls with nearly 50 businesses, four nonprofit organizations, and three neighborhood associations.
- The City also convened an informational session on April 13<sup>th</sup> with around 80 community participants.
- During the community outreach, there was overwhelming support for the temporary lease, and at the end of the convening an informal poll showed clear community interest in acquiring the property as a permanent resource for people experiencing homelessness.

# Partnership with LA County

- On January 31<sup>st</sup>, the City formally requested support and resources from LA County to assist in the City's emergency actions.
- LA County CEO Fesia Davenport and Supervisor Janice Hahn were excited to support the City and met with the Mayor and City Manager to develop a plan to expand shelter capacity.
- Under their own emergency authorities, the County executed an agreement for up to \$6.5M in funding to help the City acquire and renovate the 702 W. Anaheim property.

# 702 West Anaheim Street

## Property Information

- **Ownership:** Long Beach Rescue Mission.
- **Property Size:** 51,832-square-foot lot with 26,957 square feet of buildings.
- **Proposed Use:** Year-round shelter that will also be designed to serve as the annual winter shelter.
- **Needed Immediate Improvements:**
  - Roofing repairs/potential replacement.
    - ✓ Heating and air conditioning.
    - ✓ ADA Accessibility.
    - ✓ Showers and additional restrooms.
    - ✓ Sewer connection.
- **On-site Activities:**
  - ✓ Long Beach Rescue Mission offices/storage.
  - ✓ Environmental Remediation.



# Environmental Concerns & Improvements

- The Subject Property is the source of chemical releases to both soil and groundwater, the extent of which has been sufficiently defined with remediation ongoing by the responsible party of record, Aramark Corporation.
- Remediation, under the oversight of the Los Angeles Regional Water Quality Control Board, has been underway for approximately 20 years, with impacts to soil significantly reduced; however, groundwater is still heavily impacted and continued remediation/monitoring will likely be required for several years.
- The City conducted an Indoor Air Quality Assessment to ensure indoor air is stable for short-term occupancy associated with emergency shelter operations.
- Additional mitigation controls such as enhancements to Heating, Ventilation and Air Conditioning Systems with increased exchange rates and carbon filtrations systems will be put into place to improve air quality.
- The City expects the responsible party to continue remediation actions until the remediation is complete.
- In the unlikely event the responsible party stops performing remediation then City could be liable for continued remediation as property owner.
- Existing contamination and remediation activities are not expected to affect proposed operations at the Subject Property.



# Fiscal Impact

	Acquisition FY 23	Tenant Improvements FY 24	Total Project
<b>Total Project Costs:</b>	<b>\$7,500,000</b>	<b>\$5,700,000</b>	<b>\$13,200,000</b>
County Funding (1:1 Match)	(\$3,750,000)	(\$2,750,000)	(\$6,500,000)
City Match*	(\$3,750,000)	(\$2,950,000)	(\$6,700,000)
*City Match Sources of Funds			
General Fund – Anticipated Surplus	\$1,000,000		\$1,000,000
Measure A- Transfer from Capital Projects	\$2,750,000	\$1,250,000	\$4,000,000
Measure A – Planned Contingency		\$1,700,000	\$1,700,000

# Recommendations

- Authorize the City Manager, or designee, to execute any and all documents necessary including a Purchase and Sale Agreement and Escrow Instructions with the Long Beach Rescue Mission Foundation, Inc., a California public benefit corporation (Seller), or its assignee , for the purchase of certain real property located at 702 West Anaheim Street, Assessor Parcel Number 7271-005-009, in an amount not to exceed \$7,500,000; and
- Accept the Categorical Exemption CE 23-080; and
- Increase appropriations in the General Fund Group in the Economic Development Department by \$7,500,000 for acquisition cost, offset by \$3.75 million funding to be received from the County of Los Angeles Chief Executive Office, \$1 million from General Fund Group funds available and \$2.75 million transfer of Measure A funding from the Capital Projects Fund Group. (District 1)

**Thank you**

**Bo Martinez**  
**Economic Development Department**

**Kelly Colopy**  
**Health and Human Services Department**

**Eric Lopez**  
**Public Works Department**