



Legislation Text

File #: 22-1483, **Version:** 1

Recommendation to adopt resolution declaring a shelter crisis, suspending applicable provisions of local law, including zoning provisions contained in the Long Beach Municipal Code and regulations; and, authorize the operation of a Winter Shelter between the dates of December 16, 2022 and March 31, 2023; and

Authorize City Manager, or designee, to execute a Lease Agreement, including any necessary ancillary documents and amendments, between MWN Community Hospital, LLC, a California limited liability company (Lessor) and the City (Lessee) and a Sublease between the City (Sublessor) and First to Serve Inc., a California nonprofit corporation (Sublessee), or its assignee, for approximately 81 beds within 18,140 rentable square feet of space at 1720 Termino Avenue, for use as a Winter Shelter; and, authorize the addition or reduction of security services at the Winter Shelter, as needed, at the discretion of the City Manager. (District 3)

The County of Los Angeles (County) and the City of Los Angeles provide funding to the Los Angeles Homeless Services Authority (LAHSA) through a Joint Powers Agreement to oversee countywide homeless services and to operate the Winter Shelter Program (Program). The Program is a coordinated effort to increase the number of temporary emergency shelter beds available in the County during the period of December 1 through March 31 each year, when the region usually experiences its most inclement weather. As such, the County places winter shelters in each of the five Supervisorial Districts. For Los Angeles County Supervisorial District 4, the location identified is the Hatfield Building portion of Community Hospital at 1720 Termino Avenue in Long Beach (Attachment A - Premises).

As the administrative authority, LAHSA is responsible for selecting and contracting with the Program providers through a competitive application process, and overseeing Program operations. Subject to City Council approval, the Premises will be operated by LAHSA's selected provider for the 2022-2023 program year, First to Serve Inc. The Program provider is required to furnish the following services: intake, shelter for individuals, case management, showers, and three daily meals. Staffing will further provide security, as well as transportation assistance for people as they come and go from the shelter location. Case management services are focused to link participants to additional programs aimed at establishing improved health and economic sufficiency.

The Program provides a significant benefit to the City of Long Beach (City). Historically, most individuals and families entering the program originate from within Long Beach, referred by the City-operated Multi-Service Center (MSC). The Program provides increased engagement opportunities with individuals experiencing homelessness to encourage enrollment into case

management services, or employment and housing programs through the MSC, and further maximizes the effectiveness of those services to reduce homelessness in Long Beach.

The role of the Long Beach Health and Human Services Department (Department) is to coordinate with LAHSA to determine the location of the shelter site and access points and serves as liaison between the City and LAHSA. The Department will also be responsible for coordinating with First to Serve Inc., to ensure the delivery of services. Participants in the Program will also be able to provide additional specialized services through the MSC such as medical care, benefits assistance, employment services, brief therapy, and mail.

California Government Code Sections 8698.1 and 8698.2 allow local jurisdictions to declare a shelter crisis. In making such a declaration, State law enables local jurisdictions to suspend local laws and regulations "to the extent that strict compliance would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis," for any City-owned, leased or maintained property. The Premises requires this local declaration to ensure the winter shelter opens in a timely manner.

To facilitate the use of the Premises for the Winter Shelter Program as a City-leased property, a Lease and Sublease between MWN Community Hospital, LLC, the City, and First to Serve Inc., has been negotiated by the Economic Development Department. The proposed Lease will contain the following major terms and provisions:

- **Lessor:** MWN Community Hospital LLC, a California limited liability company.
- **Lessee:** City of Long Beach, a municipal corporation.
- **Premises:** Approximately 18,140-square-foot building commonly known as the Hatfield Building, and appurtenant outdoor open space.
- **Use:** Temporary housing and shelter program with approximately 81 beds.
- **Lease Term:** December 16, 2022 - March 31, 2023 (3 months and 15 days).
- **Rent:** \$2.50 per rentable square foot, or \$45,350 per month, for a total of \$158,725.
- **Utilities:** Lessee will pay for its utility usage to be calculated as the difference between previous billing cycle usage and actual current monthly usage. Lessor will provide Lessee with an invoice including the current and previous months bills for verification of actual costs. Payment will be due within 30 days from receipt of the invoice.
- **Security:** Lessee will provide two 24/7 security guards at the Premises along with one additional security guard to be posted at the adjacent Professional Office Building during the business hours of 7am-6pm, Monday through Friday. Security needs will be reassessed at 15 days to determine if an addition or reduction is warranted.

- **Grounds**

Maintenance: Lessee shall pay its portion of monthly pest control and landscaping costs, in the amount of \$2,350, which includes all preventative maintenance and service calls at the Premises.

- **Building**

Maintenance: Lessee shall pay a monthly maintenance fee in the amount of \$4,000 for the assignment of one on-call maintenance staff to address plumbing, heating, systems, etc., service to the Premises. Lessee will procure its own janitorial service for the interior of the Premises.

- **Improvements:** Lessee to reimburse Lessor for initial preparations and startup costs, in the amount of \$25,000, related to removing medical items and fixtures, patch, paint, ensuring building systems are in good working order and any other such items required for Lessee's occupancy.

- **Parking:** Parking will be made available to Lessee for staff parking. It is anticipated that approximately 12 spaces will be needed.

- **Access:** Lessee will be granted limited access to additional spaces throughout the main hospital required for shuttle services and the flow of incoming and outgoing guests. Lessee will have no rights of access to any other areas of the hospital property or professional office building.

- **Damages:** Lessee will be responsible for the repair or reimbursement for any damages caused by its use.

- **Right to Sublease:** Lessee will have rights to sublease the Premises to the Sublessee consistent with the County Winter Shelter Program.

The proposed Sublease will contain the following major terms and provisions:

- **Sublessor:** City of Long Beach, a municipal corporation.

- **Sublessee:** First to Serve Inc., a California nonprofit corporation.

- **Responsibilities:** The Sublessee shall be responsible for any and all nonfinancial obligations of the Lessee/Sublandlord under the terms of the lease.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on December 7, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on December 8, 2022.

City Council action is requested on December 13, 2022, to adopt the Resolution declaring a shelter crisis and execute all agreements expeditiously.

The total Lease Agreement with MWN will cost \$371,850 with \$25,000 of start-up costs. Of this total, the rent amount is estimated at \$158,725 for three and a half months. Under the agreement, the City will lease the 18,140-square-foot building and appurtenant outdoor open space at a base rent of \$45,350 per month, for a lease term of 3 months and 15 days from December 16, 2022 through March 31, 2023. Sufficient appropriations of \$158,725 are budgeted for the base rent in the Health Fund Group in the Health and Human Services Department.

In addition, the City will cover operating and maintenance expenses to include security, grounds and building maintenance, and utilities costs estimated at \$53,750 per month, for a total of \$188,125 for the lease term. A start-up expense in the amount of \$25,000 will be required to reimburse the Lessor to make repairs and improvements to ensure the Premises are fit for occupancy. As part of the sale agreement between the City and MWN Community Hospital, the latter is reimbursing the City \$715,554 for maintenance cost, incurred from the effective date of the Lease through the full transition to the Tenant's original care and operations of the Property. This revenue is sufficient to offset the remaining \$213,125 of operating and maintenance costs described above. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

KELLY COLOPY
DIRECTOR OF HEALTH AND HUMAN SERVICES

APPROVED:

THOMAS B. MODICA
CITY MANAGER