

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to authorizing the Department of General Services (GSD) to negotiate and execute a ground lease agreement with L&R Construction, Inc. (L&R Construction), and a sublease agreement with People Assisting the Homeless (PATH), to operate a bridge housing facility, with 26 family units, at 3061 Riverside Drive in Council District Four (CD 4).

Recommendations for Council action:

1. FIND, pursuant to Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable and impractical for this contract:
 - a. The TSA has continuously operated as a trusted partner of the City at this location, providing essential housing and supportive services.
 - b. The TSA's continued operation ensures stability for vulnerable populations and avoids service disruption, which could result from transitioning to a new provider; its deep-rooted community engagement, proven track record, and established infrastructure make them uniquely qualified to continue providing these critical services at this site.
2. AUTHORIZE the GSD to negotiate and execute a ground lease agreement based on the revised terms and conditions with TSA for the use of the interim housing site located at 1221 North Figueroa Place Wilmington, CA 90744 under the terms and conditions as substantially outlined in the August 5, 2026 Municipal Facilities Committee (MFC) report, attached to the Council File.

Fiscal Impact Statement: The MFC reports that there is no immediate impact to the General Fund as a result of the recommendations in the August 5, 2026 MFC report, attached to the Council File. The Fiscal Year (FY) 2025-26 Fourth Homelessness Funding Report (Council File No. 23-1022-S29) and the FY 2026-27 Annual Homelessness Funding Report (Council File No. 23-1022-S33), approved by the Mayor and Council on May 8, 2026, and June 8, 2026, respectively, allocated a total of approximately \$1.3 million in Homeless Housing, Assistance Prevention (HHAP) grant funds to support operations at this site. The FY 2026-27 Annual Homelessness Funding Report allocated \$419,430 in HHAP grant funds to support leasing costs through June 30, 2027. There is a potential future impact to the General Fund relative to supporting the lease once the HHAP grant funds are depleted or the grant expenditure authority expires.

Community Impact Statement: None submitted

Summary:

On August 18, 2026, your Committee considered an August 5, 2026 MFC report relative to authorizing the GSD to negotiate and execute a ground lease agreement with L&R Construction, and a sublease agreement with PATH, to operate a bridge housing facility, with 26 family units, at 3061 Riverside Drive in CD 4.

According to the MFC, on April 3, 2020, Council approved a report (Council File No. 19-1397) from the MFC to negotiate and execute a five-year lease with L&R Construction for approximately 11,764 square foot (s.f.) industrial site in CD4 for use as an interim housing facility. L&R Construction, the owner, developed and constructed the tenant improvements according to the City's plans and the Bureau of Engineering (BOE). The site has been in operation since late 2021.

The original lease had a 5-year option. However, the City Administrative Officer directed a shorter term and not to exercise the option. In addition, through a sublease, PATH operates the site that was repurposed into an interim housing facility for families. The site includes approximately 26 separate family units and nine communal restrooms. Other amenities include a dining area, multipurpose rooms, community room, meal prep area, playroom and an outdoor playground. The current lease with L&R Construction expired on April 14, 2026. GSD was awaiting direction from Council and CAO on the extended use of the site. Under Council's direction, (Council File No. 19-1397-S1), the GSD was directed to extend the lease for up to three additional years. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the MFC report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA:	YES
LEE:	ABSENT
JURADO:	YES

ARL
8/18/26
CD 15

-NOT OFFICIAL UNTIL COUNCIL ACTS-