

0220-05151-0804

TRANSMITTAL

TO The City Council	DATE 04-29-26	COUNCIL FILE NO. 23-1022
FROM Municipal Facilities Committee		COUNCIL DISTRICT 14

The Municipal Facilities Committee approved the recommendation of the attached General Services Department (GSD) report on April 16, 2026, which is hereby transmitted for Council consideration. Adoption of the report would authorize GSD to negotiate and execute a lease agreement with Five Keys Schools and Programs (Five Keys) to operate the Tiny Home Village site with 125 beds located at Arroyo Drive and Avenue 60 in Council District 14. The property is owned by the City and falls under the jurisdiction of Recreation and Parks (RAP). The Right of Entry (ROE) Permit, Number 1163, expires on November 1, 2026. Five Keys took over operations of the site on July 1, 2025, as such, the lease term will be retroactively effective July 1, 2025, and co-terminous with the existing ROE Permit. The RAP Board requires the extension of sites on RAP land be approved on an annual basis. Therefore, the lease agreement may be extended if the RAP Board approves an extension beyond November 1, 2026.

There is no anticipated impact to the General Fund as a result of the recommendations in this report. On July 2, 2025, the Mayor and Council approved the FY 2025-26 Annual Homelessness Funding report (C.F. 23-1022-S16) which allocated \$2,761,225 to support services at the site through June 30, 2026. Services funding for FY 2026-27 will be included in a future funding report. No funding is provided for leasing, since the site is owned by the City and this is a no-cost agreement with the provider.



 Matthew W. Szabo
 Chair, Municipal Facilities Committee

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 5

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

April 16, 2026

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

Attention: Adam Lid, Legislative Assistant

****REVISED** REQUEST AUTHORITY TO NEGOTIATE AND
EXECUTE A LEASE AGREEMENT WITH FIVE KEYS SCHOOLS AND PROGRAMS
TO OPERATE A TINY HOME INTERIM HOUSING SITE
AT ARROYO DRIVE AND AVENUE 60, LOS ANGELES, CA 90042**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement retroactively starting July 1, 2025 with Five Keys Schools and Programs (Five Keys) to operate a Tiny Home Interim Housing site located on a 47,916 square foot parcel at Arroyo Drive and Avenue 60, Los Angeles, CA 90042 in Council District 14 (CD14). Arroyo Drive and Avenue 60 is the location of the Department of Recreation and Parks' (RAP) Herman Park, also known as Arroyo Seco Park.

This revision provides a one (1) year extension option to Five Keys, subject to Recreation and Park's Board approval.

BACKGROUND

Arroyo Seco Park is owned by the City of Los Angeles and falls under the jurisdiction of RAP, which oversees the use and stewardship of park property. The Board of Recreation and Park Commissioners approved a report (CF 21-065) authorizing the temporary conversion of a portion of the park for interim housing and permitting the RAP General Manager, or their designee, which may include another City department, to issue a license to a housing operator responsible for site operations, security, and maintenance.

The Department of General Services (GSD) will execute a lease agreement with Five Keys, allowing the organization to operate the site through a service contract with the Los Angeles Homeless Services Authority (LAHSA). The use of this RAP property is approved through November 1, 2026 under an MOU-Right of Entry Permit between GSD and RAP (RAP control Number 1033, Amendment 3).



The Arroyo Drive and Avenue 60 Tiny Home Interim Housing site was completed in 2021 as part of the City's COVID-19 Homelessness Roadmap initiative. The site operates 24 hours a day, seven days a week, provides approximately 125 beds and was developed to offer safe, temporary housing while connecting residents to supportive services and long-term housing opportunities. Upon completion, Hope the Mission (HTM, formerly Hope of the Valley) was selected as the original service provider and operated the site through June 30, 2025.

Five Keys was selected through LAHSA's Request for Proposals (RFP) process to be the services provider for this site replacing HTM effective July 1, 2025; and was approved by the Los Angeles City Council as part of the FY 2025–26 Annual Homelessness Funding Report.

SHELTER SERVICES

Five Keys Schools and Programs, founded in 2003, is a nonprofit organization experienced in delivering shelter services for individuals experiencing homelessness. The organization operates interim and transitional housing programs that provide safe, low-barrier environments focused on stabilization, crisis response, and case management, while connecting participants to permanent housing and supportive services.

TERMS AND CONDITIONS

The term of this lease shall commence retroactively on July 1, 2025, and shall expire on November 1, 2026 co-terminus with the RAP agreement. The City shall have a right to a one-year option to extend contingent on RAP's board approval. Furthermore, the City shall have the unilateral right to terminate the lease with 30-day written notice.

The retroactive commencement date reflects administrative delays in finalizing the LAHSA service agreement; however, Five Keys assumed operational responsibility effective July 1, 2025, and was reimbursed for services provided during the interim period.

A complete list of terms and conditions are provided in the attached Term Sheet.

BUILDING MAINTENANCE/UTILITIES/LANDSCAPING

Five Keys shall maintain the buildings in good, safe, and sanitary condition in accordance with local standards for comparable properties. Responsibilities include maintaining interior and exterior lighting, fencing, pest control, interior paint, fire extinguishers, and minor plumbing issues that do not impact the mainline, as well as repairing any damage resulting from the negligent acts or omissions of Five Keys or its agents, including fixtures, electrical, plumbing, and HVAC systems. Any repairs, alterations, or improvements required due to Five Keys' specific use of the premises shall be completed at its sole cost and expense. Landscaping, if applicable, will also be maintained by Five Keys.

ENVIRONMENTAL

Through the City Administrative Officer report, dated June 12, 2025 (C.F. 23-1022-S16), approved by the Council and Mayor on July 2, 2025, it was determined that the funding allocation, lease, change in service provider, and continued use for a period of approximately one year for the THV/low barrier navigation center located adjacent to and north of Avenue 60 and Arroyo Drive intersection is statutorily exempt from CEQA under PRC Section 21080.27.5, applicable low barrier navigation centers and Government Code Section 8698.4(a)(4) governing homeless shelter projects under a shelter crisis declaration.

FUNDING

On July 2, 2025, the Mayor and Council approved the FY 2025-26 Annual Homelessness Funding report (C.F. 23-1022-S16) which allocated \$2,761,225 to support services at the site. No funding for leasing is provided under this lease agreement, since it is a no-cost agreement with Five Keys to operate the site.

GSD works with the CAO on a case-by-case basis to fund ongoing costs and repairs.

FISCAL IMPACT

There is no anticipated impact to the General Fund.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this lease agreement with Five Keys Schools and Programs at Arroyo Drive and Avenue 60, Los Angeles, CA 90042 for an interim housing site under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet
Site Map

LEASING TERM SHEET

DATE

Apr 16, 2026

LANDLORD

City of Los Angeles - GSD

ADDRESS

111 E. First Street, Room 201, Los Angeles, CA 90012

TENANT

Five Keys Schools and Programs

ADDRESS

320 13th Street, 2nd Floor, Oakland, CA 94612

LOCATION ADDRESS

Portion of APN 5492-021-900
401 Arroyo Seco Parkway, Highland Park, CA 90042

USE

Other ▾ Interim Housing Tiny Home Village

SQUARE FEET

Approximately 1.1 Acres or 47,916 Square Feet

EARLY POSSESSION

As of 7/1/2025

TERM

16 months

LEASE
COMMENCEMENT
DATE

July 1, 2025

LEASE EXPIRATION
DATE

November 1, 2026

RENT START DATE

N/A

RENT

N/A

AGREEMENT TYPE	Lease
RENT INCREASES	N/A
HOLDOVER	Month to Month
SUBLET/ ASSIGNMENT	No rights to sublet or assign without approval and consent. ▾

RENEWAL OPTION

OPTION

Lesser of 1-year or the period approved by RAP's board

DATES

11/2/2026 - 11/1/2027

OPTION RENT /
ESCALATION

N/A

OPTION RENT - RENT
SCHEDULE

N/A

RENT ABATEMENT

N/A

OPEX - CAM

N/A

LATE FEE

N/A

PROPERTY TAX

N/A

PROPERTY INS.

Per CAO Risk Management

ADDITIONAL RENT


N/A

PARKING

First come - First serve, as available on surface lot

SECURITY DEPOSIT

N/A

MAINTENANCE/ REPAIR: LANDLORD	Only major building systems as defined in the lease agreement (e.g. main switchgear, exterior utility connections, other capital components)
MAINTENANCE/ REPAIR: TENANT	All custodial services, routine maintenance, pest control, fencing, minor repairs - including but not limited to electrical beyond the main switchgear, HVAC, plumbing, landscaping, trash, and security.
TENANT IMPROVEMENTS: ALLOWANCE/SCOPE	None - Premises accepted in "as-is" condition
UTILITIES	Tenant responsible for the utilities
CUSTODIAL / LANDSCAPING	Tenant responsible for custodial services and landscaping
SECURITY	Tenant provides 24/7 on-site security
PROP 13	N/A
INSURANCE (CITY)	City is self-insured
INSURANCE (OTHER PARTY)	To be further defined in lease agreement - CAO Risk Division to provide Form 146
OTHER:	City has right to terminate upon 30 day written notice
PRINT:	Steve Good, President/CEO
SIGNATURE:	

Arroyo Drive and Avenue 60

Tiny Home Village
Service Provider: Five Keys
Portion of APN 5492-021-900
Approximately 1.1 Acres

