

STATUTORY EXEMPTION and HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to authorizing the General Services Department (GSD) to negotiate and execute a lease agreement with 7253 Melrose Partners, LLC., and a sublease agreement with Safe Place for Youth (SPY) to operate the interim housing site located at 7253 Melrose Avenue in Council District Five (CD 5).

Recommendations for Council action:

1. DETERMINE that the City's activities related to the homeless shelter located at 7253 Melrose Avenue in CD 5 to be statutorily exempt under Public Resources Code (PRC) Section 21080.27.5, applicable to low barrier navigation centers and Government Code Section 8698.4(a)(4) governing homeless shelter projects under a shelter crisis declaration. Please refer to Notice of Exemption found in the Bureau of Engineering report dated July 29, 2025, attached to Council file No. 23-1022-S19.
2. AUTHORIZE the General Manager, GSD, or designee, to negotiate and execute a lease agreement with 7253 Melrose Partners, LLC and a sublease agreement with SPY to operate the interim housing site located at 7253 Melrose Avenue in CD 5, under the terms and conditions substantially outlined in the Municipal Facilities Committee (MFC) report dated October 8, 2025, attached to Council file No. 25-1185.
3. AMEND the section entitled "Landlord Maintenance/Repair" of the Leasing Term Sheet with the tenant, SPY, respectively, to reflect the following changes:
 - a. Add the following to the first sentence of the first paragraph:

"Landlord may, at City's request, maintain the exterior landscaping."
 - b. Amend the second paragraph to read as follows:

"The Operator shall be responsible for daily routine maintenance, including janitorial services, elevator (monthly maintenance not covered by Landlord's warranty), all utilities for the site, annual preventative maintenance, including but not limited to: interior electrical systems and light fixtures, fire life safety systems, smoke detectors including annual Reg-4 testing, fire extinguishers, and maintenance/repairs to sprinkler heads and associated components."
 - c. Strikeout the fourth bullet point under the fourth paragraph:

~~"Landscaping and Hardscape -- All landscaping and hardscape areas associated with the site."~~
 - d. Add the following to the end of the section:

"Any and all prior terms and conditions, this term sheet controls as the most up to date."
4. AMEND the section entitled "Other" of the Leasing Term Sheet with the landlord, 7253 Melrose Partners, LLC, respectively, to reflect the following change:

~~"Early Possession: Landlord shall provide 15 days early possession to set up prior to Lease Effective Date. Late Fee: Tenant, the City shall not be subject to a late fee."~~

Fiscal Impact Statement: The MFC reports that there is no immediate impact to the General Fund. On September 2, 2025, the Mayor concurred with the Council's approval of the Fifth Alliance Funding report (Council file No. 23-1022-S19) which allocated a total of \$826,200 in Homeless Housing, Assistance, and Prevention (HHAP) funds for Transitional Aged Youth for lease costs at this site through June 30, 2026. 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

At the meeting held on October 15, 2025, your Housing and Homelessness Committee considered a MFC report relative to authorizing the GSD to negotiate and execute a lease agreement with 7253 Melrose Partners, LLC., and a sublease agreement with SPY to operate the interim housing site located at 7253 Melrose Avenue in CD 5.

After an opportunity for public comment was held, the Committee moved to approve the recommendations contained in the MFC report, as amended by Councilmember Raman and seconded by Councilmember Blumenfield, as recommended by the City Administrative Officer, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOUSING AND HOMELESSNESS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
JURADO:	ABSENT
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	ABSENT

LV 10.15.25

-NOT OFFICIAL UNTIL COUNCIL ACTS-