	TRANSMITTAL		0220-06132-0000
TO		DATE	COUNCIL FILE NO.
City Council		07/31/2023	
FROM		•	COUNCIL DISTRICT
Municipal Facilities Committee			1

At its meeting on July 31, 2023, the Municipal Facilities Committee (MFC) approved as amended the recommendations in the attached revised report (Attachment A) from the General Services Department (GSD) relative to the Request Authority to Negotiate and Execute a Purchase and Sale Agreement and Related Agreements in Connection with the Purchase of 1256 W. 7th Street, Los Angeles, CA 90017 (Mayfair Hotel) for the Inside Safe Initiative and is hereby transmitted to the City Council for consideration. The adoption of this report would authorize GSD to negotiate and execute a Purchase and Sale Agreement between the City and Mayfair Lofts, LLC for the acquisition of the Mayfair Hotel to provide interim housing and support services for persons experiencing homelessness. Additionally, the adoption of the report approves the rehabilitation of the Mayfair Hotel and for GSD to enter into an agreement with the Housing Authority of the City of Los Angeles for asset management services.

There is a fiscal impact of \$15,000,000 from the General Fund from the Unappropriated Balance and \$1,266,100 from the Homelessness Emergency Account. Additionally, special funds from the Community Development Block Grant, Proposition HHH, and the Municipal Housing Finance Fund are provided to support the recommendations in this report. There is a potential future impact on the General Fund in the amount of \$5,067,000 relative to the annual operations of the Mayfair Hotel. Operations funding for 2023-24 will be supported by Special Fund/grant monies (Encampment Resolution Funds), and/or other contributions from Homelessness Emergency Account.

Matthew W. Szabo City Administrative Officer Chair, Municipal Facilities Committee

ATTACHMENT A

CITY OF LOS ANGELES

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

July 31, 2023

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

Attention: Mandy Morales, Legislative Assistant

REVISED: REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT AND RELATED AGREEMENTS IN CONNECTION WITH THE PURCHASE OF 1256 W. 7TH STREET, LOS ANGELES, CA 90017 (MAYFAIR HOTEL) FOR THE INSIDE SAFE INITIATIVE

The Department of General Services (GSD), at the request of the Mayor's Office, seeks authorization to negotiate and execute a Purchase and Sale Agreement (PSA) with Mayfair Lofts, LLC, a California Limited Liability Company, and related agreements, including an Asset Management Agreement with the Housing Authority of the City of Los Angeles (HACLA), in connection with acquiring the property located at 1256 W. 7th Street, Los Angeles, CA 90017, APN: 5143-012-029, (commonly known as the Mayfair Hotel, "Property" or "Mayfair") (Exhibit "A"). The proposed use of the Property is permanent interim housing in support of the City's Inside Safe Initiative.

Under the contemplated transaction, the City would pay the Property owner \$60,247,266 for the Property in its as-is condition.

The proposed Asset Management Agreement with HACLA is recommended to be executed as soon as possible to ensure that the City is fully prepared to take title to the Property on its anticipated closing date of August 31, 2023.

BACKGROUND

In March 2020, the County and City of Los Angeles declared a public health emergency related to the Coronavirus (COVID-19) pandemic. To combat the spread of COVID-19 and address the needs of the most vulnerable individuals in the community, local leaders created a hotel/motel program to provide temporary housing for people experiencing homelessness (PEH) who were most at-risk of contracting COVID-19.





As a response to the COVID-19 pandemic, the City launched Project Roomkey (PRK), which housed unsheltered individuals in various motels and hotels. One PRK site, which operated for 24 months until July 2022, was the Mayfair Hotel, a 294-room boutique hotel with a three-level 183 parking space garage downtown in Council District 1. The Mayfair was constructed in 1926, and underwent substantial renovations in 2018-2019 that included cosmetic as well as structural renovations. The property has remained vacant since the second quarter of 2022, when the PRK contract with the City expired. The City began negotiations with the owner to acquire the Mayfair in the first quarter of 2023.

As part of the Inside Safe Initiative, the City is looking to acquire a permanent infrastructure for interim housing throughout Los Angeles. Further, under the 2022 Settlement Agreement of the Alliance Lawsuit the City is required to provide 12,915 new units of interim or permanent housing by 2027. This meets the terms of the agreement, wherein the City is to provide enough housing and shelter interventions to house 60% of the unsheltered population, less those that suffer from serious mental illness. The CAO is the lead on tracking progress and during the budget hearings for the FY24 budget, the CAO noted that under current projections the City will need approximately 5,000 additional units to reach its target. Acquiring the Mayfair will allow the City to work toward the goals of lowering the cost of Inside Safe, realizing its obligations under the Alliance Settlement and creating a permanent infrastructure of available beds that can transition individuals from encampments to safe interim housing with wrap-around services, and eventually into permanent affordable housing.

This strategy ensures an available stock of interim housing units that are not subjected to greater market forces. PRK benefitted from a depressed tourism market during the COVID-19 pandemic, which resulted in a greater availability of hotel rooms that the City could use for unsheltered individuals. There is no guarantee these market conditions will remain for the long term, and the availability of these privately-owned units is not guaranteed. The City owning and operating its own facilities as a permanent supply of interim housing will ensure that the City has a constant number of rooms available to house unsheltered people, and will support the City's aim to move unsheltered people to interim housing, and ultimately to permanent housing. The Mayfair will immediately provide the City with up to 294 units that can be utilized for interim housing, in a site and area that is familiar to the City through PRK.

Cost Benefit Analysis

Providing services at the Mayfair after acquisition will provide substantial operational cost savings allowing the City to house unsheltered populations at a lower rate than long-term or day-to-day occupancy of hotels and motels. The cost of individual rooms at the L.A. Grand Hotel downtown has averaged a rate of \$154 for single occupants and \$183 for double occupants per night, which results in an annual cost of \$58,035 to \$68,620 per occupant. The City has been paying for motel rooms at various hotels/motels as part of Inside Safe at an average rate of \$114 per night, which results in an annual cost of \$41,610 per room. These rates are unsustainable for the long term, whereas, post-acquisition, operating the Mayfair as interim housing is projected to cost much less per occupant annually, resulting in substantial cost savings.

	Nightly Rate	Monthly Rate	Annual Rate
Grand Hotel	\$154-\$183	\$4,770-\$5,640	\$58,035-\$68,620
Inside Safe Motel Average	\$114	\$3,420	\$41,610
Mayfair Projection (post acquisition annual costs)	\$47.22	\$1,436	\$17,235

Participant Services

While the Mayfair was utilized as a PRK site, onsite services will differ from the services that were previously provided and will be far more extensive. PRK was mainly a public health and public safety focused program. The Mayfair will be operated as part of the new \$60M Encampment Resolution Grant secured by the County and City. The County's Housing for Health program will lead extensive case management and wrap-around services.

On site services at the Mayfair will include, among other services, support for county-wide entitlement, physical health, mental health, substance use disorder, intensive case management, life skills, employment and housing navigation. Participants will be assessed to determine the best type of permanent housing that should be provided, as well as determine their level of vulnerability and need for enhanced supportive services. Participants will also be provided with laundry services and three daily meals.

Target Date for Operations and Transition

The Mayfair will provide interim housing for individuals as part of a new Encampment Resolution Grant which is a partnership between the County and City. Some participants will have formerly resided at the Grand Hotel, which the City is currently occupying as part of its Inside Safe Initiative, and previously as part of PRK. At this time there is not an exact timeline for when the Mayfair hotel will be ready for operations, as the final renovation needs and estimates were provided to the City just before this report was completed and staff are working with the City's Bureau of Engineering (BOE) to determine the best path toward the repair work. The target for operations would be February 1, 2024, at the conclusion of the City's occupancy agreement with the Grand Hotel, so that participants can be transitioned to the Mayfair as needed.

Community Input

Site operations for the Mayfair are still being finalized, and community input will be gathered over the course of the 2023, year to provide the community and stakeholders the opportunity to inform operational plans for the site.

ACQUISITION/OPERATION DISCUSSION

Property Description

The Mayfair Hotel was built in 1926, and consists of an improved, 37,200 square foot (sf), or 0.85 acre, parcel of land, containing a 15-story with basement, 294-room, full-service,

self-contained hotel, totaling approximately 160,000 sf of building area. It includes a three-level parking garage with 183 parking spaces.

Appraisal

The Property was appraised by Gribin, Kapadia & Associates, the City's appraisal consultant. The January 20, 2023 appraisal report was reviewed and accepted by Pacific Real Estate Consultants, an independent third-party reviewer. The appraisal supports the purchase price being offered for the Mayfair.

Real Estate Brokerage Services

On February 24, 2023, the City issued a Request for Bids (RFP) to potential bidders on the CAO list of Pre-Qualified Real Estate and Economic Development Consultants in Service Area 1: Real Estate Services and Brokerage as approved by Council on June 15, 2022 (C.F. 12-1549). On March 10, 2023, CBRE, Inc. was selected to provide the brokerage services required to identify, evaluate and negotiate the purchase, and to manage and review the due diligence process for the Mayfair Hotel, as well as alternate site(s). The seller agreed to pay 0.5% of the gross 1.5% commission obligation to the City's broker. Therefore, the City is responsible for paying CBRE the remaining 1% of the sale price, which is estimated at up to approximately \$602,473.

Purchase and Sale Agreement (PSA)

On April 13, 2023, the City and owner (Seller) entered into a non-binding Letter of Intent (LOI) to purchase the Mayfair, and subsequently began the due diligence process and development of the PSA based on the LOI. The LOI establishes a closing deadline to occur on or before 30 days after the execution of the PSA. Subsequent to the LOI, and based on the City's need to expand due diligence efforts, the parties have extended the closing date to August 31, 2023. The Seller has indicated that this is a hard deadline because he has a binding agreement with a hotel operator which can only be terminated if the City closes on or before August 31, 2023.

As contemplated under the LOI, the City has completed its due diligence. Once City Council has approved the acquisition, the parties will immediately enter into a binding, no due-diligence contingency purchase and sale agreement. A non-refundable deposit of \$1,000,000 would be required at the opening of escrow, and such deposit would be applied toward the purchase price if closing occurs. If closing does not occur due to the City's fault, then the seller would keep that deposit as liquidated damages.

Asset Management

As City departments do not have the experience to manage the building and the daily operations of a residential asset, the City is proposing to enter into an agreement with HACLA to serve as the Asset Manager for the property. As part of their duties HACLA would contract with a Property Management company for the site's operations. HACLA has experience serving as an asset manager for 106 properties totaling 2,784 units, and has a list of property management companies that they have regularly contracted with for day-to-day site operations.

The agreement with HACLA is being negotiated and is modeled after a similar arrangement between HACLA and the Los Angeles Housing Department for asset management of properties acquired during the Project Homekey 2 process. HACLA or their contracted Property Management company would be responsible for security, custodial landscaping, building maintenance, utilities and all necessary repairs for the property including the development of a five-year capital plan.

The proposed substantive terms of the Asset Management Agreement are:

- The City will engage HACLA to manage and operate the property.
- HACLA shall provide property management services necessary to operate the site daily (ie. maintenance, custodial, repair, security, etc.)
- HACLA shall coordinate activities as needed between property management/operations and services teams.
- HACLA shall be responsible for the oversight and response to all emergency services.
- HACLA shall not be responsible for any costs or expenses associated with the maintenance or operation of the property, all of which shall be the City's responsibility.
- A cash account shall be funded by the City which shall be for the maintenance and operation of the property.
- HACLA shall not be responsible for any occupancy related activities.
- HACLA shall attend resident and building meetings, oversee reasonable accommodation requests and respond to client complaints.
- HACLA shall provide reports and dashboards to the City on property performance.
- HACLA shall produce regular, monthly financial reports.
- HACLA has agreed to provide these services for a monthly Asset Management fee of \$7,000.
- The term of the agreement is for three years with automatic one year renewals with an outside expiration date of 10 years.

Operating Costs

The operating cost estimates for the Mayfair are based on analysis of PRK operating costs from both LAHD and the CAO, conversations and sample budgets from service providers and a review of 10 months of actual operating costs for the Mayfair while it was being operated as a PRK site (provided by the current Owner) in 2021, and 2022. Staff also reviewed seven months of actual operating expenses while the Mayfair was vacant.

The Operating Cost Budget is the projected annual operating cost for the Mayfair upon closing. It assumes that the Mayfair is fully occupied, however, costs will be lower during the months while the repairs are underway. Funding for these operations will be covered by the FY24 Inside Safe budget (Homelessness Emergency Account) and/or the awarded \$60,000,000 Encampment Resolution Grant from the State, which is a two-year grant. A Detailed Operating Budget is included as Exhibit B and the table below is a summary of the combined Asset Management, Property Management and Operating costs.

MAYFAIR SUMMARY OPERATING BUDGET		
	Monthly	Annually
Utilities	\$81,500.00	\$978,000.00
Life Safety	\$6,300.00	\$75,600.00
Groundskeeping	\$8,750.00	\$105,000.00
Repairs/Maintenance	\$41,000.00	\$492,000.00
Hotel Expenses	\$111,500.00	\$1,338,000.00
Asset Management Fee (HACLA)	\$7,000.00	\$84,000.00
Property Management Fee	\$5,000.00	\$60,000.00
Security Costs	\$30,000	\$360,000
Annual Replacement Reserve @\$9.60/sf	\$131,200.00	\$1,574,400.00
TOTAL	\$422,250.00	\$5,067,000.00
Nightly Cost Per Room, @294 rooms		\$47.22

On-Site Operations Provider

A service provider has not been chosen for onsite operations at the Mayfair. The City will select a service and operations provider who has been approved by LAHSA through their Request for Statement of Qualifications (RFSQ) process and possesses extensive experience operating low to high-acuity interim housing projects.

Due Diligence

Given the time constraints and limited City staff resources, CBRE, as the contracted broker, also engaged consultants to conduct due diligence activities. Draft reports were generated and BOE has reviewed and provided their review. Costs for the due diligence reports and project management total \$266,100 under GSD's contract with CBRE. The reports generated and reviewed are:

- 1. Property/Facility Condition Report
- 2. Phase 1 ESA
- 3. Asbestos (ABM) Survey
- 4. Lead (LBP) Survey
- 5. SME Seismic Reports
- 6. SME Roofing and Façade Report
- 7. SME Elevator Report
- 8. SME ADA report
- 9. SME MEP Memo/Email and Field Report
- 10. Cost Summary Activation Report/Estimate

Based on the results of the Property/Facility Condition assessments and physical property due diligence, the Seller agreed to provide the City a Price Reduction in Lieu of Seller repairs totaling \$705,813.

The Property/Facility Condition and Cost Summary Activation Reports were utilized by CBRE to develop an estimated cost for immediate renovations to activate the hotel as well as longer term repairs. Each of these expenses are further detailed in the Hotel Activation section below as well as the sources and uses outlined in the Funding section of this report for the proposed acquisition.

These reports in combination also assessed the facility and its building systems and raised certain concerns and provided some recommendations that should be taken into consideration for the hotel acquisition.

Based on a review of public records, it has been determined that the parking structure has undergone a seismic retrofit while the hotel building itself has not. At BOE's recommendation, a structural engineer completed a seismic study for the building and concluded that no seismic work is legally required for the City's intended use, now or in the foreseeable future. The structural engineer also indicated that if the City wishes to further strengthen the hotel building as a matter of choice, several preliminary seismic strengthening concepts are available to enhance the seismic condition of the hotel building.

Public records also revealed that the building had open permits, all of which have been resolved, with the exception of one remaining for the roof top sign. Notwithstanding these and other concerns, BOE finds the building is in fair condition overall with certain exceptions as per the CBRE Report findings and to be addressed with the proposed repairs and renovations budget.

Hotel Activation Costs

CBRE, as the City's contracted broker, was contracted to provide a detailed cost estimate of repairs needed for operations. The Mayor's Office also sought feedback from a service provider with experience operating interim housing to identify additional space improvement needs to best prepare the hotel for immediate interim housing as well as suggestions for longer term renovations and improvements.

The rehabilitation budget included in the acquisition sources and uses has the estimated repair work divided into three areas. The cost estimates are subject to change once bids are received, but the total rehabilitation budget is as described in this report.

Renovations Budget (\$19,335,095): The immediate renovations needed to open the hotel were identified through the due diligence reports, CBRE provided detailed cost estimates, and through review and recommendation from BOE. These primary repairs to the hotel rooms include flooring, wall coverings, furniture, minor plumbing and electrical, two larger projects related to building maintenance (recommended within the next 3 -5 years), and the optional seismic strengthening concepts. Upon approval of the acquisition, BOE will immediately begin the design process for these renovations.

BOE Costs (\$2,000,000): To meet the February 2024, move-in date, BOE will need to hire consultants to augment City staff as well as complete further design and estimates for the renovations. It is anticipated that BOE will need approximately \$2,000,000 to cover soft costs and consultant fees for the renovations and optional seismic strengthening. Space Improvement Allowance (\$772,635): These improvements were recommended by a service provider to prepare the site for operations as interim housing with wrap-around services. CBRE prepared a rough order of magnitude (ROM) estimate for these improvements, however these estimated numbers will be further refined and the final determination of additional space improvements will be determined with the selected service provider.

Improvement	Explanation	Rough Order of Magnitude
Elevator access control	Install key card floor access system in the elevators	\$20,000
Fill in pool	Cover or fill in the rooftop deck pool for improved safety	\$134,498
Resident laundry	Install 5 washers and dryers for resident use	\$161,874
Parking ingress/egress	Install key fob system for parking entry and exit	\$39,675
Provider office spaces	Convert existing spaces for service provider offices, install electrical equipment, and install cubicles and privacy measures	\$200,000
Entrance security desk	Provide electrical upgrades to allow an entrance security desk with wiring for metal detectors	\$37,294.50
Lobby reception	Modify the existing reception desk to accommodate pest control and heat bags	\$25,443.75
Bike storage	Install bike racks for 50 bicycles in the existing garage	\$4,240.63
Client Storage	Provide lockers or other on-site storage for resident belongings	\$149,609.25
Total Rough Order of Magnitude		\$772,635.13

Future Repairs: Longer term or other identified work will be covered through the annual replacement reserve, which is part of the operating budget (not the sources and uses budget below) and sets aside \$1,574,400 annually. The replacement reserve was sized to meet anticipated needs over the next five years, according to the CBRE comprehensive property condition report. If additional funding is needed in the short term, the Mayor's Office will request access to its acquisitions and other funds identified in the Inside Safe Budget approved with the FY24 budget.

FUNDING FOR ACQUISITION AND RENOVATIONS

The City has identified a mix of funding sources for the acquisition of the Mayfair. The table below shows the sources identified and seeking approval in this report, along with the uses of these funds. The utilization of CDBG and Prop HHH funds will be subject to specific covenants pertaining to their designated use and future possibilities for leasing or selling the property.

The budget allows for needed renovations and a space improvement allowance to be further refined once a service provider is selected. Once BOE completes its final estimates of immediate repairs, if additional funding is needed it can be funded through the replacement reserve anticipated in the operating budget or through the Inside Safe funding allocated toward acquisitions.

The total sources available for the acquisition, and renovation of the Mayfair to operate as interim housing is displayed in the following table below.

Mayfair Acquisition and Renovation		
SOURCES	FY23/24 Budget \$	
CDBG	\$27,687,000	
Prop HHH	\$18,000,000	
Municipal Housing Finance Funds	\$10,000,000	
General Fund (1)	\$15,000,000	
Homelessness Emergency Account (Inside Safe)	\$10,566,100	
Closing Credits	\$1,994,185	
Total Sources	\$83,247,285	
(1) Within the Mayor's Office requested \$15M unappropriated balance		
USES (2)		
Acquisition Cost	\$60,247,266	
Due Diligence (already completed)	\$266,100	
Estimated Closing Costs	\$626,189	
Soft Costs + Oversight	\$2,000,000	
Renovations Budget	\$19,335,095	
Space Improvement Allowance for Service Provider	\$772,635	
Subtotal	\$83,247,285	
(2) All budgeted items for renovations and repairs are estimates.		

PURCHASE PRICE AND RELATED COSTS

Deposit

In connection with the full execution and delivery of the PSA, the City will deliver an earnest money deposit to "Escrow Holder" in immediately available funds in the amount of One million and No/100 dollars (\$1,000,000.00) (the "Deposit"). Upon receipt by the Escrow Holder, the Deposit shall be placed in an interest-bearing account acceptable to the City.

Property Purchase Price

The City has negotiated a total amount of up to \$60,247,266 for the purchase and acquisition of the building in its as-is condition.

Because the City is purchasing the hotel, this transaction is not subject to transfer taxes, including the new ULA Transfer Tax. The City has negotiated a 50% credit for the new ULA Transfer Tax savings and 100% credit for all other transfer tax savings, both to be credited against the purchase price at closing. Based on the purchase price (i.e.,\$60,247,266), the total credit the City will receive at closing would be \$1,994,185.

Title Insurance, Closing Cost and Broker Commission

The City shall bear any cost beyond the California Land Title Association (CLTA) policy, as the owner (seller) will only cover the expense of the CLTA policy. Specifically, the City has made a request for an American Land Title Association (ALTA) Title Insurance policy, which provides enhanced coverage compared to the CLTA policy. The estimated cost of the ALTA Title Insurance policy is an additional \$6,025 beyond the CLTA policy. Additionally, the City is accountable for the cost of a survey, which is necessary to obtain the ALTA policy. This is considered customary and reasonable in a transaction of this type. The survey has been completed at an additional cost of \$6,000.

Estimated escrow fees payable by the City for this transaction amount to \$7,230. The broker commission for this transaction is calculated based on 1.5% percent of the net Property Purchase Price. The Seller has agreed to cover 0.5% of the commission, while the remaining 1%, (estimated up to approximately \$602,473) is the City's responsibility.

These estimates are subject to change based on final negotiations and agreement between the City and the Seller.

ENVIRONMENTAL SITE ASSESSMENT

The Department of Public Works - Bureau of Engineering Environmental Management Group has reviewed the proposed project to provide the environmental clearance.

CEQA

The Project is a specific action necessary to prevent or mitigate an emergency – the conditions arising from a sudden and unexpected dramatic rise in the City's already dangerously large homeless population, now adversely impacted by the COVID-19 pandemic. The dramatic rise in the homeless population is a sudden unexpected

occurrence, as is the unexpected and sudden occurrence of losing access to adequate shelter and essential services for each individual newly experiencing homelessness, as is the unexpected rise in mortality rates among the homeless population since 2019. Each is an emergency presenting impending acute harm to the individuals experiencing homelessness that would be prevented and mitigated through providing housing to those individuals, including through the emergency shelter provided by this Project.

The Project, therefore, is exempt from CEQA environmental review pursuant to Public Resources Code, Section 21080(b)(4) since it prevents and mitigates such imminent loss and damage. Article II, Section 2.a.3 of the City CEQA Guidelines also clarifies that projects necessary to prevent or mitigate emergencies are exempt from the requirements of CEQA.

Assembly Bill 1197 (Santiago, 2019) was signed into law on September 26, 2019, which adopted Section 21080.27 of the California Public Resources Code (PRC) and created a statutory exemption for compliance with CEQA for emergency shelter projects located within the City of Los Angeles. The intent of AB 1197 is to help the City of Los Angeles address its homeless crisis and is an urgency statute that is deemed necessary for the immediate preservation of the public peace, health, or safety and for the critical necessity to address the shelter and homeless crisis. As documented in the attached Notice of Exemption (Exhibit C), the proposed Project meets the requirements in AB 1197, and thus the proposed Project is also exempt from CEQA pursuant to AB 1197.

FISCAL IMPACT

There is a fiscal impact of \$15,000,000 from the General Fund from the Unappropriated Balance and \$1,266,100 from the Homelessness Emergency Account. Additionally, special funds from the Community Development Block Grant, Proposition HHH, and the Municipal Housing Finance Fund are provided to support the recommendations in this report. There is a potential future impact on the General Fund in the amount of \$5,067,000 relative to the annual operations of the Mayfair Hotel. Operations funding for 2023-24 will be supported by Special Fund/grant monies (Encampment Resolution Funds), and/or other contributions from Homeless Emergency Account.

RECOMMENDATIONS

That the Los Angeles City Council, subject to the approval of the Mayor,

- AUTHORIZE the Department of General Services (GSD), with the assistance of the City Attorney, to negotiate and execute a Purchase and Sale Agreement and all documents necessary to effectuate the acquisition of the Property located at 1256 W. 7th Street, Los Angeles, CA 90017, APN: 5143-012-029, based on the terms and conditions described in this report, and take any action necessary to complete such acquisition and accept title to the Property;
- 2. APPROVE up to \$61,139,555 for the acquisition of the Mayfair Hotel in Council District 1, including acquisition, due diligence, and closing costs;
- 3. DETERMINE that the Interim Housing Project at 1256 West 7th Street, which allows for funding allocation, site acquisition, minor renovations, lease or similar agreement, and operation of the property as temporary shelter, is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code, Section 21080(b)(4), as a specific action necessary to prevent or mitigate an emergency, and as reflected in State CEQA Guidelines, Section 15269(c); and Public Resources Code, Section 21080.27 (AB 1197), applicable to City of Los Angeles emergency homeless shelters, as noted in the accompanying Notice of Exemption by the Bureau of Engineering (BOE) to this report;
- 4. AUTHORIZE the General Services Department to enter into a Asset Management Agreement with the Housing Authority of the City of Los Angeles (HACLA) in a newly established escrow account in the General Services Department under the terms and conditions as outlined in this report;
- 5. APPROVE the Amendment to the Fiscal Year 2020-21 Proposition HHH Project Expenditure Plan to increase by up to \$18,000,000 for the acquisition and rehabilitation of the Mayfair Hotel;
- 6. AUTHORIZE up to \$18,000,000 from Proposition HHH Fund No.17G/43, account number to be determined for the acquisition and rehabilitation of the Mayfair Hotel in Council District 1:
- 7. APPROPRIATE up to \$15,000,000 from the Unappropriated Balance, Fund No. 100/58, Account No. 580414, Acquisition for Interim and Permanent Housing, to the to the General Services Department Fund No. 100/40, in a new account entitled "Permanent Interim Housing Acquisitions", for the acquisition of the Mayfair Hotel in the Council District 1;
- 8. APPROVE up to \$22,107,730 for the rehabilitation of the Mayfair Hotel with 294 units at 1256 W. 7th Street in Council District 1;

- 9. APPROPRIATE up to \$22,107,730 to BOE Special Service Fund No. 682/50, in a new account entitled, "CD 1 Mayfair Interim Housing Rehab" for the rehabilitation and project management costs of the Mayfair Hotel in Council District 1 from the following accounts:
 - a. \$12,807,730 from Proposition HHH Fund No.17G/43, account number to be determined;
 - b. \$9,300,000 from the General City Purposes Fund No. 100/56, Account No. 000959, Homelessness Emergency Account, subject to Mayor approval;
- 10.APPROVE up to \$10,000,000 from the Municipal Housing Finance Fund No. 815/43, Account No. 43Y012, Acquisition for Interim and Permanent Housing for the acquisition of the Mayfair Hotel in the Council District 1;
- 11.APPROVE \$5,067,000 from the General City Purposes Fund No. 100/56, Account No. 000959, Homelessness Emergency Account, to the General Services Department Fund No. 100/40, in a new account entitled "Master Trust Account " to pay for monthly costs (first annual year) associated with the aforementioned Asset Management Agreement with HACLA, through June 30, 2026, with automatic one- year renewals, subject to Mayor approval;
- 12.APPROVE \$266,100 from General City Purposes Fund No. 100/56, Account No. 000959, Homelessness Emergency Account, to the General Services Department Fund No. 100/40, Account No. 003040, Contractual Services for costs relative to due diligence and project management under Contract C-142917 with CBRE, subject to the approval of the Mayor;
- 13.APPROVE \$1,000,000 from General City Purposes Fund No. 100/56, Account No. 000959, Homelessness Emergency Account, to the Escrow Holder for the earnest money deposit and release upon the delivery of the Purchase and Sale Agreement to escrow, subject to the approval of the Mayor;
- 14.NOTE \$27,687,000 of Community Development Trust Fund (Community Development Block Grant) was approved by the Mayor and Council on June 13, 2023 in the 49th Program Year (2023-24) Housing and Community Development Consolidated Plan Budget (C.F. 22-1205-S1) for the acquisition of the Mayfair Hotel in Council District 1;
- 15.AUTHORIZE AND TRANSFER up to \$12 million from General City Purposes Fund No. 100/56, Account No. 000959, Homelessness Emergency Account to Community Development Trust Fund (Community Development Block Grant) Fund No. 424/21, 21YB37, Mayfair Hotel Transitional Housing Acquisition as a cash flow loan to be used towards the acquisition costs for the Mayfair Hotel, and authorize the repayment of the cash flow loan to the originating account using monies within the Community Development Block Grant Fund (No. 424/21) authorized for this purpose, subject to final adoption of the Program Year 49 Consolidated Plan and receipt of grant funds;

16.AUTHORIZE the General Managers of the Los Angeles Housing Department, Community Investment for Families Department, General Services Department, and/or their designee, to disburse all committed funding for the Mayfair Hotel Acquisition, including utilizing the method of a wire transfer to an escrow company, in amounts not to exceed the funding sources in the table below:

Funding Source	Department	Amount
Community Development Block Grant	Community Investment for Families Department	\$27,687,000
Proposition HHH	Los Angeles Housing Department	\$5,192,270
Municipal Housing Finance Fund	Los Angeles Housing Department	\$10,000,000
General Fund	General Services Department	\$16,000,000
Total		\$58,879,270

- 17.AUTHORIZE the Controller, subject to the availability of funds, to expend funds upon presentation of proper documentation and demand of the General Manager or designee;
- 18.AUTHORIZE the CAO to prepare Controller instructions or make any necessary technical adjustments, including adjustments to the names of the Special Fund accounts recommended in this report, consistent with the Mayor and Council action in this matter, upon submission of proper documentation, and authorize the Controller to implement these instructions.

FINANCIAL POLICIES STATEMENT

The actions recommended in this report comply with the City's Financial Policies.

Tony M. Royster General Manager

Attachments: Exhibit "A" - Legal Description

Exhibit "B" - Detailed Operating Budget Exhibit "C" - CEQA Notice of Exemption

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

PARCEL 1: (APN: 5143-012-029)

LOTS 3, 4, 5, 6 AND 7 OF GARLAND TRACT EXTENSION, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 78 PAGES 3 AND 4 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ЕХНІВТ В		
Mayfair - Detailed Operating Budget		
Utilities	Monthly	Annually
Garbage	\$6,000.00	\$72,000.00
Electric	\$40,000.00	\$480,000.00
Gas Fuel	\$10,000.00	\$120,000.00
Service Contracts	\$500.00	\$6,000.00
Water/Sewer	\$25,000.00	\$300,000.00
Total	\$81,500.00	\$978,000.00
Life Safety	Monthly	Annually
Fire Panel Monitoring & Maintenance	\$600.00	\$7,200.00
Access Control and Maintenance	\$1,000.00	\$12,000.00
Fire Sprinkler/Extinguisher/Smoke Detector	\$700.00	\$8,400.00
Courtesy Patrol	\$500.00	\$6,000.00
Telephone Monitoring	\$500.00	\$6,000.00
Other Security	\$500.00	\$6,000.00
Generator & Emergency Services	\$500.00	\$6,000.00
LS Tests	\$1,500.00	\$18,000.00
RM-Life and Safety	\$500.00	\$6,000.00
Security Costs	\$30,000.00	\$360,000.00
Total	\$36,300.00	\$435,600.00
Groundskeeping	Monthly	Annually
Maint and Landscaping	\$2,500.00	\$30,000.00
Parking Garage- Cleaning/Sealing/Striping	\$6,250.00	\$75,000.00
	\$8,750.00	\$105,000.00
Repairs/Maintenance	Monthly	Annually
Electrical repairs	\$1,000.00	\$12,000.00
Lighting repairs and supplies	\$500.00	\$6,000.00
Plumbing Repairs	\$5,000.00	\$60,000.00
Plumbing Fixtures	\$500.00	\$6,000.00
HVAC Contract	\$1,000.00	\$12,000.00
HVAC Repairs	\$5,000.00	\$60,000.00
Elevator Maintenance Contract	\$5,000.00	\$60,000.00
Elevator Repairs	\$2,500.00	\$30,000.00
Maintenance Labor	\$2,500.00	\$30,000.00
Maintenance Supplies	\$2,500.00	\$30,000.00
Doors/Windows/Hardware	\$2,000.00	\$24,000.00
Painting	\$500.00	\$6,000.00
Pest	\$7,500.00	\$90,000.00
Gates/Fences	\$500.00	\$6,000.00
Exterior Building Repairs	\$1,500.00	\$18,000.00

Licenses	\$1,000.00	\$12,000.00
Service Contract	\$1,000.00	\$12,000.00
Water Treatment	\$500.00	\$6,000.00
Refrigeration	\$1,000.00	\$12,000.00
Total	\$41,000.00	\$492,000.00
Hotel Expenses	Monthly	Annually
Housekeeping	\$50,000.00	\$600,000.00
Cable	\$1,000.00	\$12,000.00
Cleaning Supplies	\$2,500.00	\$30,000.00
Contract Labor	\$40,000.00	\$480,000.00
Guest Supplies	\$750.00	\$9,000.00
Laundry/Valet	\$15,000.00	\$180,000.00
Laundry Supplies	\$750.00	\$9,000.00
Operating Supplies	\$500.00	\$6,000.00
Printing	\$500.00	\$6,000.00
Dormakaba (smart access)	\$500.00	\$6,000.00
Total	\$111,500.00	\$1,338,000.00

COUNTY CLERK'S USE

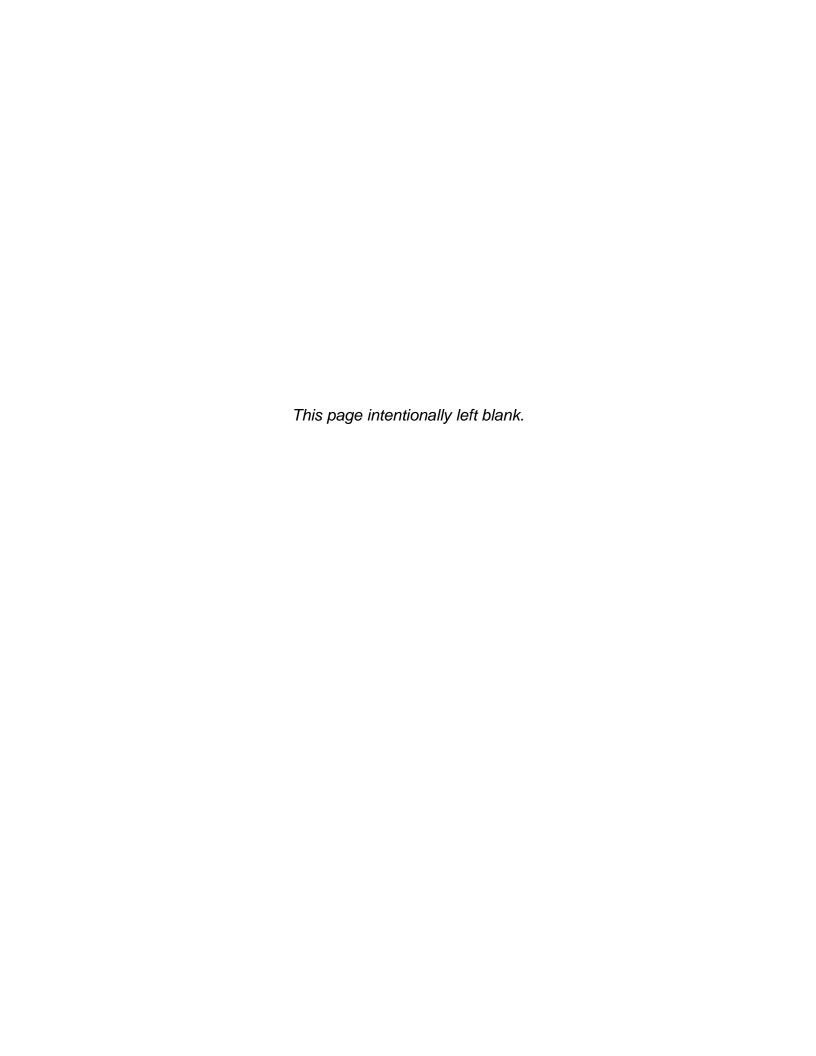
EXHIBIT "C"

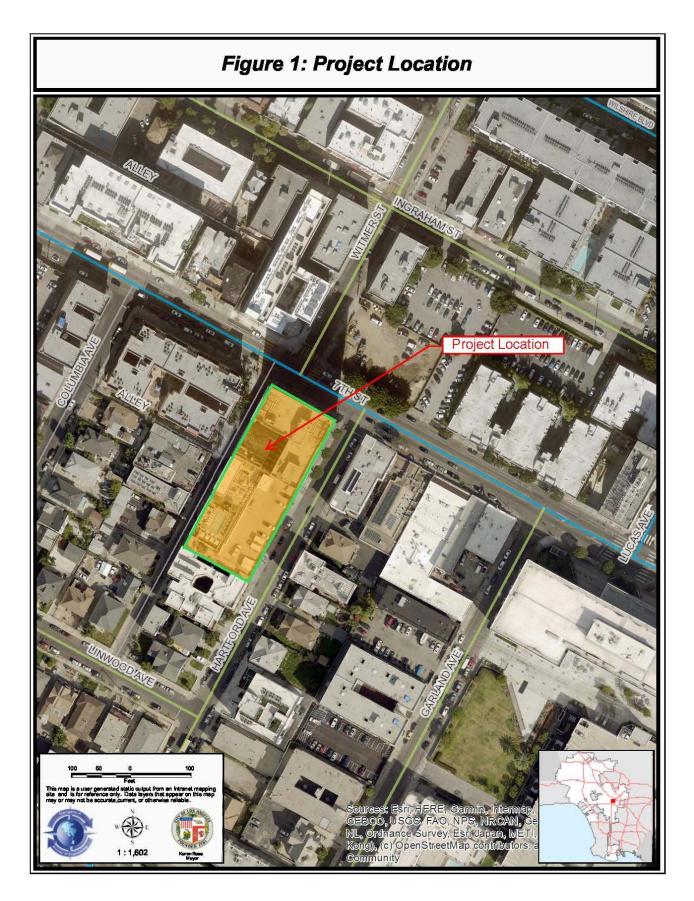
CITY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS BUREAU OF ENGINEERING 1149 S. BROADWAY, 7th FLOOR LOS ANGELES, CALIFORNIA 90015 **CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION**

(Articles II and III - City CEQA Guidelines)

Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, California, 90650, pursuant to Public Resources Code Section 21152(b), and with the state Office of Planning and Research pursuant to Public Resources Code Section 21080.27(c) (AB1197), when applicable; and on the City website pursuant to Public Resources Code Section 21092.2(d). Pursuant to Public Resources Code

Section 21167(d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project.				
LEAD CITY AGENCY AND ADDRESS:	c/o Bure 1149 S.	os Angeles au of Engineering (BOE) Broadway, MS 939 eles, CA 90015	COUNC	CIL DISTRICT 1
PROJECT TITLE: 1256 W. 7 th Street (Mayfair Hotel) Interim Hou	PROJECT TITLE: 1256 W. 7 th Street (Mayfair Hotel) Interim Housing		LOG RI	EFERENCE C.F.
PROJECT LOCATION: 1256 West 7 th St Angeles (City), Los Angeles County. See Figu			n Area of	f the City of Los
DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: The 1256 W. 7 th Street (Mayfair Hotel) Interim Housing project (Project) consists of funding allocation, site acquisition, minor renovations, lease or similar agreement, and operation of an interim housing facility at an existing 294-room hotel that is currently vacant, but that through July 2022 operated as a Project Roomkey facility. The purpose of the Project is to provide emergency shelter for people experiencing homelessness to help bridge their transition from living on the streets to finding services and, ultimately, living in transitional and/or permanent housing. Project beneficiaries include the homeless community, the public, and local businesses. (Please see the attached narrative for more details.) On, 2023, the City Council determined the Project was exempt under the California Environmental Quality Act (CEQA) and approved the Project.				
CONTACT DEDCON				PD.
CONTACT PERSON Maria Martin (Maria.Martin@lacity.org)	TELEPHONE (213) 485		LK
	QA		<u>CA PUB</u> <u>RESOUI</u>	
Maria Martin (Maria.Martin@lacity.org EXEMPT STATUS: CITY CE GUIDELI	EMPTIO specific a ection 15	STATE CEQA GUIDELINES 15269(c) N: This Project is statutorication necessary to prevent of 269(c); Public Resources Code	CA PUB RESOUI 21080(b	LIC RCE CODE o)(4) & 21080.27 pt under Public e an emergency, on 21080.27 (AB
Maria Martin (Maria.Martin@lacity.org EXEMPT STATUS: CITY CE GUIDELI STATUTORY JUSTIFICATION FOR PROJECT EXE Resources Code, Section 21080(b)(4), as a and as reflected in the CEQA Guidelines, Sec	EMPTIO specific a ection 15	STATE CEQA GUIDELINES 15269(c) N: This Project is statutoriaction necessary to prevent of 269(c); Public Resources Commeless shelters (see attached	CA PUB RESOUL 21080(b illy exemp or mitigate de, Section d narrative	LIC RCE CODE b)(4) & 21080.27 pt under Public e an emergency, on 21080.27 (AB
Maria Martin (Maria.Martin@lacity.org EXEMPT STATUS: CITY CE GUIDELI STATUTORY JUSTIFICATION FOR PROJECT EXE Resources Code, Section 21080(b)(4), as a and as reflected in the CEQA Guidelines, Section 1197) applicable to City of Los Angeles emergences.	EMPTIO specific a ection 155 gency ho	STATE CEQA GUIDELINES 15269(c) N: This Project is statutoriaction necessary to prevent of 269(c); Public Resources Commeless shelters (see attached	CA PUB RESOUL 21080(b illy exemp or mitigate de, Section d narrative	LIC RCE CODE b)(4) & 21080.27 pt under Public e an emergency, on 21080.27 (AB
Maria Martin (Maria.Martin@lacity.org EXEMPT STATUS: CITY CE GUIDELI STATUTORY JUSTIFICATION FOR PROJECT EXE Resources Code, Section 21080(b)(4), as a and as reflected in the CEQA Guidelines, Se 1197) applicable to City of Los Angeles emerg IF FILED BY APPLICANT, ATTACH CE SIGNATURE: Pending Project approval	EMPTIO specific a ection 155 gency ho	STATE CEQA GUIDELINES 15269(c) N: This Project is statutoriaction necessary to prevent of 269(c); Public Resources Comeless shelters (see attached D DOCUMENT OF EXEMITE: Environmental Affairs Officer	CA PUB RESOUL 21080(b illy exemp or mitigate de, Section d narrative	LIC RCE CODE b)(4) & 21080.27 pt under Public e an emergency, on 21080.27 (AB e).





EXEMPTION NARRATIVE

I. PROJECT DESCRIPTION, CONTINUED

The Mayfair Hotel site is being transitioned from a Project Roomkey shelter use within an existing hotel facility to a permanent interim housing shelter facility with approximately 294 private rooms for people experiencing homelessness, in furtherance of providing emergency homeless shelter beds in the City. The Project includes minor interior renovations, including but not be limited to, replacing or repairing damaged furniture as needed, repairing damaged bathroom fixtures as needed, patching and repairing drywall, painting over any damaged paint, replacing hallway lighting and light fixtures as needed, repairing doors to individual rooms, and possibly installing an updated radio-frequency identification (RFID) system for room entry. The site includes approximately 183 on-site parking spaces, including Americans with Disabilities Act (ADA) accessible spaces.

This interim housing facility will provide emergency shelter, hygiene, storage, food services and case management to individuals experiencing homelessness. Additional services may include job training, group therapy, resume building and other workshops. Project operations will include employees scheduled in shifts throughout the day with site security provided on a 24/7 basis or per a security plan consistent with the Los Angeles Homeless Services Authority's (LAHSA) standards. The homeless shelter will be operated consistent with LAHSA's program requirements for crisis and bridge shelters including, but not limited to, LAHSA's Scope of Required Services and Program Standards, as noted in the references section. A third-party service provider, County, and/or LAHSA will operate the Project for the City, and it is anticipated that a lease or similar operating and/or funding agreements may be executed with the service provider, County, and/or LAHSA.

The Project site consists of one rectangular parcel having an area of approximately 37,045 square feet with frontages along Hartford Avenue, 7th Street, and Witmer Street. The Project site is developed with a hotel that is currently vacant, but that from approximately July 10, 2020 through July 31, 2022 served as a Project Roomkey facility that provided temporary shelter to people experiencing homelessness. The property is designed with a Regional Center Commercial land use and is zoned C4(CW)-U/4.5 and R5(CW)-U/4.5, which are mixed-use zones that allow for multifamily residential uses. In addition, at least 75% of the perimeter of the site is surrounded by qualified urban uses. There are commercial uses to the north and residential uses to the east, south, and west of the site. Therefore, the site meets the definition of infill site (City of Los Angeles Department of City Planning, 2023).

II. PROJECT HISTORY

A. Homelessness Imposes a Loss of, or Damage to, Life, Health, Property, and to Essential Public Services in the City

Homelessness presents a danger of loss or damage to the health and property of the people of the City and an undue burden on essential public services. Based on information from the Census and the Los Angeles Homeless Services Authority (LAHSA),

in 2020, homeless persons constituted approximately 1.07 percent of the City's population (U.S Census Bureau, 2021 & LAHSA, 2020).

In 2018, homeless persons constituted 13.5 percent of LAFD's total patient transports to a hospital, meaning a homeless person is 17 percent more likely to require emergency hospital transportation than the general population (LAFD Battalion Chief and Paramedic Douglas Zabilski, 2019). Studies have shown that individuals identified as homeless utilize health care services more frequently than comparable non-homeless individuals of the same age, gender, and low-income status, particularly high-cost services such as Emergency Room (ER) visits and psychiatric hospitalizations (Hunter, 2017) (Hwang SW, 2013).

Los Angeles County's Chief Executive Officer reported the County spent \$965 million on health, law enforcement, and social services toward individuals experiencing homelessness in fiscal year 2014–2015 (Wu, 2016). Consistent with that report, a 1998 study in the New England Journal of Medicine found that homelessness was associated with substantial excess costs per hospital stay in New York City, with homeless patient staying in the hospital 36 percent longer per admission on average than other patients (Salit, Hospitalization Costs Associated with Homelessness in New York City, 1988).

Homelessness also causes significant danger to the health and lives of persons who are homeless. Homeless individuals living in the City are frequent crime victims. In 2018, LAPD reported 2,965 instances where a homeless individual was a victim of a serious crime, including homicide, rape, aggravated assault, theft, and arson (also known as "Part 1 Crimes.") (Commander Dominic H. Choi, 2019). This compares to 1,762 such crimes in 2017, a 68 percent increase (*Id.*). This dramatic increase in Part 1 Crime statistics may be due to more rigorous LAPD data collection methodologies, however it is consistent with the increasing incidence of homelessness documented in June of 2019 detailed below (*Id.*). During the first six months of 2020, LAPD reported 1,738 instances where a homeless individual was a victim of a serious crime including homicide, rape, aggravated assault, burglary, and larceny (LAPD, 2020).

Overall, in 2018, the LAPD reported 6,671 instances in total where a homeless individual was a Part 1 Crime victim and/or suspect, among the 31,285 estimated homeless individuals throughout the City (Commander Dominic H. Choi, 2019). This means that in 2018 there was approximately one Part 1 Crime per every 4.68 homeless individuals in the City. By comparison, for the same year LAPD reported 129,549 total Part 1 Crimes Citywide among an estimated population of 4,054,400 City residents, or approximately one Part 1 crime per every 31.29 City residents. Accordingly, the rate of Part 1 crimes among homeless individuals in 2018 was approximately seven times higher than the rate among the City population as a whole (Id.). According to the LAPD Use of Force Year-End Report in 2020, among the 41,290 estimated homeless individuals throughout the City, 7,872 persons were reported to be victims of a violent or property crime. In the same year, 5,722 persons experiencing homelessness were reported as suspects of a violent or property crime. (LAPD, 2020). On October 4, 2018 and again on February 6, 2019, the Los Angeles County Department of Public Health identified an outbreak of endemic fleaborne typhus in downtown Los Angeles among persons experiencing homelessness. On September 19, 2017, the Los Angeles County Department of Public Health declared a Hepatitis A virus outbreak among persons who are homeless and/or use illicit drugs in

the County. Likewise, a January 2018 report from the Los Angeles County Department of Mental Health reported that data from the Los Angeles County Medical Examiner-Corner's showed that a significant number of deaths in the homeless population were caused by treatable conditions such as arteriosclerotic cardiovascular disease, pneumonia, diabetes, cancer, cirrhosis, severe bacterial infections and other conditions (Choi, 2019). As noted more recently by the Board of Supervisors for the County of Los Angeles on October 29, 2019:

Mortality rates for people experiencing homelessness are much higher than those for the general population, have risen in the County over the past five years, and are expected to increase again for 2019. A recent analysis by the County's Department of Public Health on mortality rates and causes of death among people experiencing homelessness shed critical light on this issue and provided sobering data on recent trends. The overall mortality rate, which accounts for increases in the total homeless population over the 6-year period from 2013 to 2018, increased each year from 1,382 per 100,000 to 1,875 deaths per 100,000, with the total number of deaths among people experiencing homelessness increasing each year from 536 in 2013 to 1,047 in 2018. The leading causes of death included coronary heart disease (22%) and unintentional drug and alcohol overdose (21%), indicating that there are opportunities for interventions to prevent premature deaths (Supervisor Ridley-Thomas, Supervisor Solis, 2019) (Department of Public Health, 2019).

These significant adverse health impacts suffered by the homeless in the City and County of Los Angeles are consistent with the impacts identified by a well-established body of expert social science studies that document the significant adverse health and welfare impacts experienced by homeless persons in the United States and in other countries, which the homeless in the City and County experience as well. Some of that research has documented the following impacts upon homeless persons:

Mortality Rates. A study of the mortality rates of sheltered homeless people in New York City between 1987 and 1994 documented that homeless men died at a rate more than twice that of other residents of New York, and that homeless women died at a rate more than 3.7 times greater than other New York residents (Barrow, Susan M., PhD, Daniel B. Herman, DSW, Pilar Cordova, BA, and Elmer L. Struening, PhD, 1999). A study conducted between 1985 and 1988 in Philadelphia found that the mortality rate among homeless persons in Philadelphia was nearly four times greater than for the general population (Hibbs, Jonathan R., MD, et. al., 1994). A review of five years of data between 2000 and 2005 in Glasgow, Scotland found that homelessness is, itself, is an independent risk factor for death, distinct from other specific causes (Morrison, 2009).

Access to Healthcare. A 2003 nationwide survey of homeless persons documented that homeless adults reported substantial unmet needs for multiple types of health care (Baggett, Travis P., MD, MPH, James J. O'Connell, MD, Daniel E. Singer, MD, and Nancy A. Rigotti, MD, 2010). The report found 73 percent of the respondents reported at least one unmet health need, including an inability to

obtain needed medical or surgical care (32%), prescription medications (36%), mental health care (21%), eyeglasses (41%), and dental care (41%) (*Id.*).

AIDs Impacts. A study of San Francisco residents diagnosed with AIDS from 1996 through 2006 and reported to the San Francisco Department of Public Health demonstrated that homeless persons with HIV/AIDS have greater morbidity and mortality, more hospitalizations, less use of antiretroviral therapy, and worse medication adherence than HIV infected persons who are stably housed (Schwarcz, Sandra K, Ling C Hsu, Eric Vittinghoff, Annie Vu, Joshua D Bamberger and Mitchell H Katz, 2009).

Cancer Impacts. A study of 28,000 current and formerly homeless individuals in Boston documented that homeless men saw a significantly higher cancer incident rate than expected compared to the general Massachusetts general population, and that homeless women and men experienced significantly higher cancer mortality rates than the Massachusetts general population (Baggett, Travis P et al., 2015).

B. Unexpected and Unabated Dramatic Surge in Homelessness

A 2017 Rand Corporation study reported the County of Los Angeles as having the highest rate in the United States of unsheltered individuals who experience homelessness (Hunter, Sarah B., Melody Harvey, Brian Briscombe, and Matthew Cefalu, 2017). The impacts of homelessness upon the homeless and upon the community, in terms of the danger to or loss of life, property, health and burden on public services is exacerbated in the City due the very size of the City's homeless population. The homeless shelter crisis and the rise in homelessness are the type of emergency situations that led the State to adopt AB 1197, an urgency statute addressing homelessness that was deemed necessary for the immediate preservation of the public peace, health, or safety and for the critical necessity to address the shelter and homeless crisis within the City of Los Angeles.

The City Council declared a homeless shelter crisis pursuant to Government Code Section 8698, et seq. on April 17, 2018 (The Honorable M. Bonin & M. O'Farrell, 2019), which is currently in effect (The Honorable M. Bonin & M. Harris-Dawson, 2019). Following significant investment of resources by both the County and City, the 2018 Homeless Count showed progress in reducing homelessness, documenting a 5.5 percent overall decrease in the number of persons experiencing homelessness in LA County (LAHSA, 2020).

Table 1 - 2018 Homeless Count Data Summary presents the data revealed by the 2018 Homeless Count concerning the City of Los Angeles, as documented in the 2018 Data Summary in Table 1 (LAHSA, 2020).

Table 1 2018 Homeless Count Data Summary				
Number of Individuals Change from 2017				
Sheltered Homeless	8,398	6% Decrease		
Unsheltered Homeless	22,887	5.3% Decrease		
Total Homeless Persons	31,285	5.5% Decrease		

Despite these efforts and the initial progress shown in 2018, the Homeless Counts unexpectedly documented a dramatic increase in the number of individuals experiencing both sheltered and unsheltered homelessness in (LAHSA, 2022) *Table 2 - 2019 Homeless Count Data Summary* presents the data revealed by the 2019 Homeless Count concerning the City of Los Angeles, as documented in the 2019 Data Summary as shown in Table 2 (LAHSA, 2020).

Table 2 2019 Homeless Count Data Summary (Revised 07/20/2020)			
Number of Individuals Change from 2018			
Sheltered Homeless	8,944	6.5% Increase	
Unsheltered Homeless	26,606	16.2% Increase	
Total Homeless Persons	35,550	13.7% Increase	

LAHSA published its 2020 Homeless Count, released in July 20, 2020, which shows that the homelessness emergency in the City of Los Angeles continues unabated. The documented number of individuals experiencing both sheltered and unsheltered homelessness dramatically increased yet again, as shown in *Table 3 - 2020 Homeless Count Data Summary* (LAHSA, 2020).

Table 3 2020 Homeless Count Data Summary			
	Number of Individuals	Change from 2019	
Sheltered Homeless	12,438	39% Increase	
Unsheltered Homeless	28,852	8.4% Increase	
Total Homeless Persons	41,290	16.1 % increase	

LAHSA prepared a 2021 shelter point-in-time count for the City of Los Angeles that estimated the number and demographic characteristics of the sheltered homeless population on a single night in January 2021. Released in July 20, 2021, it shows that the homelessness emergency in the City of Los Angeles continues unabated and uncertain. The documented number of individuals experiencing sheltered homelessness increased yet again, as shown in *Table 4 - 2021 Housing Inventory Count and Shelter Count Data Summary* (LAHSA, 2021). The 2021 unsheltered street count could not be conducted due to the COVID-19 pandemic. However, the availability of vaccinations enabled the resumption of the Homeless Count for February 2022 with appropriate precautions (LAHSA, 2022).

Table 4 2021 Housing Inventory Count and Shelter Count Data Summary		
	Number of Individuals	Change from 2020
Sheltered Homeless	12,503	1% Increase

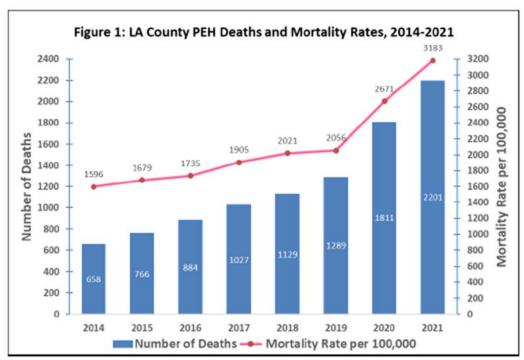
Homeless count data in 2022 showed the City's homeless population continued to unexpectedly increase 1.7% from 41,290 to 41,980 persons, and while is sheltered population increased 8.7%, its unsheltered population only decreased 1.4%. (LAHSA, 2022.)

Taken together, the City faces an unexpected and dramatic increase in homelessness, which was exacerbated by the COVID-19 pandemic beginning in early 2020 posing a critical emergency situation in the City of Los Angeles.

On December 12, 2022, Mayor Bass declared a homelessness emergency in the City of Los Angeles, specifically stating that the Mayor "declare[s] the existence of a local emergency and direct[s] all Divisions of the Emergency Operations Organization (EOO) and all other City Departments to take necessary steps for the protection of life, health and safety in the City of Los Angeles." (City of Los Angeles, Dec. 12, 2022.) The Mayor's declaration discussed how the homelessness crisis created a dramatic unanticipated impact on the population, and how it displaced people even greater than major hurricanes and earthquake events, all of which are emergencies requiring prompt action to avoid clear and imminent danger to the displaced populations.

C. Unexpected Dramatic Increase in Homeless Population Mortality

A report released in May 2023 by the Los Angeles County Department of Public Health found that indicators of mortality in the homeless population "began increasing dramatically beginning in 2020, with the mortality rate increasing by 55% between 2019 and 2021." (LA County DPH May 2023.)



(Source: LA County DPH May 2023.)

In a press release dated May 12, 2023, the LA County Board of Supervisors released statements noting "We have declared a state of emergency in Los Angeles County because there are far too many people on our streets" and the report "underscores how important it is that we continue to treat the homelessness crisis with a sense of urgency and move as many people as possible inside so we can begin to save their lives." (LA County DPH May 12, 2023.)

This situation presents documented dangers to health, life, and property, and a burden on, and a loss of access to, essential public services, which presents an emergency as defined by CEQA as explained below. Furthermore, the State has created additional CEQA exemptions applicable in the City of Los Angeles concerning homelessness and homeless shelters.

III. THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW

A. The Project is Exempt Pursuant to the Emergency CEQA Statutory Exemption (PRC Section 21080(b)(4))

Public Resources Code Section 21080(b)(4) provides that CEQA does not apply, to "specific actions necessary to prevent or mitigate an emergency." Public Resources Code section 21060.3 defines Emergency as, "a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services." Section 21060.3 further provides that Emergency, "includes such occurrences as fire, flood, earthquake, or other soil or geologic movements, as well as such occurrences as riot, accident, or sabotage."

Finally, 14 California Code of Regulations (Governor's Office of Planning and Research, 2018) Section 15269, "Emergency Projects," provides examples of emergency projects exempt from the requirements of CEQA, including the following:

- (c) Specific actions necessary to prevent or mitigate an emergency. This does not include long-term projects undertaken for the purpose of preventing or mitigating a situation that has a low probability of occurrence in the short-term, but this exclusion does not apply
 - (i) if the anticipated period of time to conduct an environmental review of such a long-term project would create a risk to public health, safety or welfare, or
 - (ii) if activities (such as fire or catastrophic risk mitigation or modifications to improve facility integrity) are proposed for existing facilities in response to an emergency at a similar existing facility.

The Project is a specific action necessary to prevent or mitigate an emergency – the conditions arising from a sudden and unexpected dramatic rise in the City's already dangerously large homeless population, now adversely impacted by the COVID-19 pandemic for all of the reasons set forth above in Part II (Project History). The dramatic rise in the homeless population is a sudden unexpected occurrence, as is the unexpected and sudden occurrence of losing access to adequate shelter and essential services for each individual newly experiencing homelessness, as is the unexpected rise in mortality rates among the homeless population since 2019. Each is an emergency presenting impending acute harm to the individuals experiencing homelessness that would be prevented and mitigated through providing housing to those individuals, including through the emergency shelter provided by this Project. The Project, therefore, is exempt from CEQA environmental review pursuant to Section 21080(b)(4) since it prevents and mitigates such imminent loss and damage.

B. The Project is Exempt Pursuant to AB 1197 Codified at PRC Section 21080.27

Assembly Bill 1197 (Santiago, 2019) was signed into law on September 26, 2019, which adopted Section 21080.27 of the California Public Resources Code (PRC) and created a statutory exemption for compliance with CEQA for emergency shelter projects located within the City of Los Angeles. The intent of AB 1197 is to help the City of Los Angeles address its homeless crisis and is an urgency statute that is deemed necessary for the immediate preservation of the public peace, health, or safety and for the critical necessity to address the shelter and homeless crisis. AB 1197 took immediate effect on September 26, 2019 in order to address the unique circumstances faced by the City of Los Angeles and to expedite the development of emergency homeless shelters. As noted in the following sections, this shelter Project complies with the requirements in AB 1197, and thus the Project is exempt from CEQA pursuant to AB 1197 (PRC § 21080.27).

1. City of Los Angeles Declaration of a Shelter Crisis

Public Resources Code, section 21080.27(a)(2) requires that emergency shelters be approved during a shelter crisis under Government Code, section 8698.2. The City of Los Angeles City Council declared a homeless shelter crisis pursuant to Government Code Section 8698, et seq. on April 17, 2018 (The Honorable M. Bonin & M. O'Farrell, 2019), which is currently in effect (The Honorable M. Bonin & M. Harris-Dawson, 2019).

2. The Project Meets the Definition of a Low Barrier Navigational Center in Government Code Section 65660

Under AB1197, emergency shelters must meet the definition of "Low Barrier Navigational Center" in Government Code Section 65660, which defines Low Barrier Navigation Center as a "Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities, while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter and housing. The City builds and operates emergency shelters, such as this Project, to be operated as low barrier navigation centers consistent with Government Code Section 65660.

Service-Enriched Shelter with Case Managers Connecting to Services. The requirements are met by this Project for a "service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities, while case managers connect families experiencing homelessness to income, public benefits, health services, shelter and housing." This Project provides temporary housing, with case managers staffing the facility that provide connections to homeless family services and assistance for the occupants. This is one of the fundamental purposes of this shelter project. For example, the Project's programs include Trauma Informed Care policies and procedures that involve understanding, recognizing, and responding to the effects of all types of trauma. Trauma Informed Care also emphasizes physical, psychological and emotional safety for both families and providers, and helps families rebuild a sense of control and empowerment. Trauma Informed services take into account an understanding of trauma in all aspects of service delivery and place priority on the trauma survivor's safety, choice, and control. Trauma Informed Care services create a culture of nonviolence, learning, and collaboration.

The Project will be operated by service providers coordinated with the Los Angeles Homeless Services Authority (LAHSA). The intention of this emergency shelter is to provide persons experiencing homelessness with some stability, so that they can more easily maintain contact with housing navigation and/or case management services to facilitate safe and supportive housing placement.

Per LAHSA's Crisis and Bridge Housing Scope of Required Services, which will be followed for operating the shelter in this Project, service providers that oversee an emergency shelter must provide case management services and develop a Housing Stability Plan with each person. The shelter will program implement a case management

and service plan known as Housing-Focused Case Management and Support Services (HFCMSS). HFCMSS includes but is not limited to: support with completing housing applications, accompanying the individual to housing appointments and/or leasing appointments, and other support associated with the housing placement process. The primary objective of HFCMSS is to extend support to individuals through an individualized case management relationship that will ultimately translate to increased housing stability. The HFCMSS offers services to connect individuals to permanent housing. Case Managers present at the shelter make rapid connections to a broad continuum of resources and permanent housing, emphasizing a short-term stay.

HFCMSS connects families to a Housing Navigator who assists individuals to gain access to permanent housing through referrals to housing programs (such as RRH, Permanent Supportive Housing, affordable housing, etc.). A case manager is assigned to an individual when the person enters the program and then helps the participant establish a connection to a Housing Navigator. A Housing Navigator assists individuals with Housing Navigation services. Housing Navigation services are available to individuals to support their housing placement goals and must be focused on assisting the participant in identifying and accessing permanent housing within the general ninety (90) days. Housing Navigation services may be provided onsite or offsite, and may also require participants' to be accompanied to off-site appointments.

Case management must be conducted on a regular and routine basis and must be routinely documented. The content and outcome of case management meetings with individuals are entered into a housing management information system with case notes that are tracked in the system. Housing-focused case management sessions are dedicated to assessing and reassessing needs, educating individuals on community resource opportunities, developing Housing Stability Plans, scheduling appointments, and providing necessary follow up to ensure housing stability plans are progressing on schedule and needs are adequately being addressed.

As noted in LAHSA's Program Standards, supportive services for the shelters focus on the income, resources, skills and tools needed to pay rent, comply with a lease, take reasonable care of a housing unit, and avoid serious conflict with other tenants, the landlord, and/or the police. The Program Standards also require service providers to utilize and maintain referral networks with specific lists of health services and public benefit services for connecting occupants to those benefits. Thus, the project is a service-enriched shelter focused on moving individuals into permanent housing that provides temporary living facilities, while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter and housing.

Housing First. The Project is a "Housing First" shelter pursuant to Government Code Section 65660. Also, in being such a Housing First shelter, the project complies with Chapter 6.5 of Division 8 of the Welfare and Institutions Code (commonly referred to as the Housing First Law) as required by Government Code Section 65662 (discussed further below). "Housing First" means the evidence-based model that uses housing as a tool, rather than a reward, for recovery from homelessness, and that centers on providing

or connecting people experiencing homelessness to permanent housing as quickly as possible. Housing First providers offer services as needed and requested on a voluntary basis and that do not make housing contingent on participation in services.

Housing First also includes time-limited rental or services assistance, so long as the housing and service provider assists the recipient in accessing permanent housing and in securing longer-term rental assistance, income assistance, or employment. In the event of an eviction, programs shall make every effort, which shall be documented, to link tenants to other stable, safe, decent housing options. Exit to homelessness should be extremely rare, and only after a tenant refuses assistance with housing search, location, and move-in assistance. If resources are needed to successfully divert an individual from entry into the homelessness system, a referral must immediately be made to a CES Diversion/Prevention program. In order to identify other permanent housing options, service providers continue to have such problem-solving conversations with the individual while residing in Crisis and Bridge Housing. More broadly, the project includes a housing and services plan and housing-focused case management, both with an orientation towards supporting individuals to exit to safe and stable housing. This Project meets the above-noted Housing First requirements.

The emergency shelters are operated by service providers coordinated through LAHSA. All service providers must comply with LAHSA's Scope of Required Services, Program Standards, and Facility Standards. Per LAHSA's Program Standards, all eligible participants are to be served with a Housing First approach. LAHSA's CES for Families' Principles and Practices that were approved by the CES Policy Council on August 23, 2017 shall be used to guide the development of systems-level policy and to ensure transparent and accountable decision-making with privately owned Service Providers who enter into a partnership with LAHSA. The basic underlying principle of LAHSA's System Components is that access to housing is the primary need for its program participants. Services are voluntary and not required to enter into a shelter. Individuals will not be rejected or exited from participation in the emergency shelter due to any unnecessary barriers.

The City's shelters are intended to be a Housing First program focused on quickly moving individuals experiencing homelessness into permanent housing and then providing the additional supports and services each person needs and wants to stabilize in that housing. The basic underlying Housing First principle is that individuals are better able to move forward with their lives once the crisis of homelessness is over and they have control of their housing. The City's emergency shelter will, provide a safe, low barrier, housing-focused, and homeless services support in a twenty-four (24) hour residence to help individuals who experience homelessness that meet the above-noted requirements for Housing First. One of the core components of the Housing First model is that longer-term housing accepts referrals directly from shelters. The City's shelters, including this Project, are primarily focused on connecting, transitioning, and referring homeless individuals into such permanent housing as quickly as possible in the Housing First model, and accepting occupants through the crisis response system. The intention of this emergency shelter project is to provide participants with some stability, so that they can more easily maintain contact with housing navigation and case management services and

facilitate safe and supportive housing placement. Services in the City's shelters, including this Project, are never mandatory and cannot be a condition of obtaining the housing intervention. This Project will provide temporary housing, case managers and Housing Navigators staffed at the facility or offsite who provide connections to homeless services for the occupants. Based on the above-noted information, the project's emergency shelter meets the Housing First requirements relative to AB 1197.

Low Barrier. "Low Barrier" means the shelters use best practices to reduce barriers to entry, including but not limited to, the presence of partners (if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth); pets; storage for possessions; and privacy (such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms). The City's shelters, including this Project, meet these requirements.

The Project provides approximately 294 private rooms for up to 300 individuals experiencing homelessness, which allow for the presence of partners. Participants are allowed to bring their pets to the shelter. The Project has storage within each sleeping area for personal possessions or storage bins. The Project is designed to provide privacy to participants by providing each family or individual with their own sleeping space. There are separated sleeping spaces with private and/or communal bathrooms. Therefore, the project is managed and designed to allow the privacy of participants and is a pet friendly facility for participants who choose to be accompanied by their pets.

The Project uses low barrier best practices that reduce barriers to entry. They include the allowance for presence of partners, pet friendly facilities, storage areas for some possessions, and management and design for individuals' privacy. All of the City's emergency shelters, including this project, meet these requirements. Therefore, none of the noted conditions would preclude access to the project, and the project is considered crisis and bridge housing that is "low barrier" within the meaning of Government Code Section 65660 and AB 1197.

In sum, based on the above-noted information, which is additionally explained and provided with additional details in the documents from LAHSA cited in the Reference section to this document, the Project meets the definition of Low Barrier Navigation Center set forth in Government Code Section 65660.

3. The Project Complies with Government Code Section 65662

Under AB1197, emergency shelters must meet the four requirements identified in Government Code Section 65662(a) through (d), which are each discussed in turn in this section.

Connecting to Permanent Housing through a Services Plan. Government Code Section 65662(a) requires that Low Barrier Navigation Centers offer services to connect families and individuals to permanent housing through a services plan that identifies services staffing. This Project meets that requirement. As noted above, the Project

includes housing-focused case management sessions that involve developing Housing Stability Plans/Housing and Services Plans, scheduling appointments, and providing the necessary follow-up to ensure housing stability plans are progressing on schedule and needs are adequately being addressed. This is required in LAHSA's Scope of Required Services.

The Housing Stability Plan is the family or individual's service plan that summarizes the participant's housing goals, services needed, what will be provided, actions that need to be taken (by staff and the participant), and referrals that need to be made. Case managers develop the services plan in coordination with the family or individual right after intake and assessment, track the plan in a homeless management information system, and revise the plan as the family or person's situation changes and steps are completed or revised accordingly.

Families and individuals are assisted with a range of activities that address the stated goals of the family or individual in the Housing Stability Plan, including but not limited to:

- Accessing personal identification (For quick referral to permanent housing)
- Accessing certification of the current income (For quick referral to permanent housing)
- Mainstream Benefits
- Substance Abuse services
- Mental Health Services
- Health Services
- Vocational Services
- Employment Services
- Educational Support
- Legal Services
- Life Skills Development
- Independent Living Program for Youth
- Transitional Housing Program for Youth
- CES and CoC Rapid Re-Housing Program
- Housing Navigation Assistance
- CoC Permanent Supportive Housing
- LA County Department of Health Services, Housing for Health or Housing and Jobs Collaborative
- LA County Department of Health Services, Countywide Benefits Entitlement Services Team
- LA County Department of Mental Health, Countywide Housing Assistance Program
- Veterans Administration Housing Programs
- Housing Opportunities for Persons with Aids (HOPWA) Housing
- Crisis Housing for Unaccompanied Youth
- Youth Family Reconnection Program

Progress and problems implementing the plan are reviewed and updated frequently.

Coordinated Entry System. Government Code Section 65662(b) requires Low Barrier Navigation Centers to be linked to a coordinated entry system allowing staff and colocating staff to conduct assessments and provide services to connect families and individuals to permanent housing. This is required by LAHSA's Scope of Required Services and Program Standards. Thus, all City of Los Angeles homeless shelters, including this project, are linked to the Los Angeles County Coordinated Entry System, a centralized or coordinated assessment system designed to coordinate program participant intake, assessment, and referrals. The residents are prioritized through the coordinated entry system in the Los Angeles County Coordinated Entry System for safe and supportive housing resources. The City collaborates with Los Angeles County Case Entry System and provides case management services to program participants through a Housing Stability Plan. Case managers must develop a Housing Stability Plan in coordination with the participant right after intake and assessment. The Housing Stability Plan must be tracked in a Homeless Management Information System (HMIS) along with the date of completion.

The shelter will collaborate with Los Angeles County Case Entry System Housing Navigators and case managers from other outside agencies to provide case management services to program participants. Los Angeles County Coordinated Entry System case managers work with participants and assist by facilitating service appointments; and then eventually help them find permanent housing.

Compliance with Welfare and Institutions Code. Government Code Section 65662(c) requires Low Barrier Navigation Centers comply with Chapter 6.5 of Division 8 of the Welfare and Institutions Code, which specifies the Housing First requirements. As noted above, the City's emergency shelters, including this project, are Housing First shelters, and thus they comply with this requirement.

Homeless Management Information System. Government Code Section 65662(d) requires Low Barrier Navigation Centers to have a system for entering stays, demographics, income, and exit destinations through a local Homeless Management Information System designed to coordinate program participant intake, assessment, and referrals. These are required by LAHSA's Scope of Required Services and Program Standards. The City's emergency shelters use such a system in the Los Angeles Continuum of Care Homeless Management Information System (HMIS). In 2001, Congress directed the U.S. Department of Housing and Urban Development (HUD) to ensure the collection of more reliable data regarding the use of homeless programs. HUD required all Continuum of Care applicants to demonstrate progress in implementing a Homeless Management System (HMIS). LAHSA led a regional planning process, encompassing three Continuums of Care - Los Angeles, Glendale, and Pasadena. This process resulted in the selection of a system that would not only satisfy the HUD mandate, but would also provide the Los Angeles Continuum with a means to measure the effectiveness of programs serving homeless families. Presently, the Los Angeles Continuum of Care (LACoC) is part of a collaborative called the Los Angeles HMIS

Collaborative. The LA HMIS Collaborative consists of three Continuums of Care (CoC): Los Angeles, Glendale, and Pasadena.

HMIS is a web-based application that is designed to collect information on the characteristics and service needs of homeless persons. The system allows agency users and the Los Angeles Homeless Services Authority (LAHSA) to use collected information for informed programmatic decision-making. Participating agencies collect and input standardized client-level and demographic data into the system, including client/household demographic details; relationships within a family and household; client/household income; client/household documents; case management and services; housing placements; and progress for housing retention. The HMIS includes a focus on Outcomes Management that sets and measures milestones and target achievements of clients and program performance.

Housing Stability Plans are tracked in a Homeless Management Information System (HMIS) along with the date of completion. Case managers complete a Monthly Update with the family to assess progress towards achieving the goals defined in the Housing Stability Plan. All services must be tracked, and information is provided to families in HMIS with the goal of the individuals achieving housing stability and sustainability upon exit from the program. Exit destination information is also collected. Accordingly, the Project meets the HMIS requirements.

In sum, based on the above-noted information, which is additionally explained in more detail in the documents from LAHSA cited in the Reference section to this document, the Project meets the requirements set forth in Government Code Section 65662.

4. The Project is in a Qualified Location Under AB 1197

AB 1197 requires that the site be located in "either a mixed-use or nonresidential zone permitting multifamily uses or infill site...." (PRC § 21080.27(a)(2).)

The Project site lot is zoned C4(CW)-U/4.5 and R5(CW)-U/4.5 which are mixed-use zones that allow for multifamily residential uses, and thus the Project's location qualifies for the exemption. In addition, the Project is qualified as an infill site location because the site has been developed with, and at least 75% of the perimeter of the site is surrounded by qualified urban uses. The site is a former commercial hotel use, which qualifies as infill. Also, there are commercial uses to the north and residential uses to the east, south, and west of the site, and therefore, the Project site is surrounded by qualified urban uses and is considered a qualified location under AB 1197. (City of Los Angeles Department of City Planning, 2023)

5. The Project Involves Qualified Funding Under AB 1197

AB 1197 (Public Resources Code Section 21080.27(a)(2)(A)-(D) exempt emergency shelter projects from CEQA which have at least a portion of the funding from qualified sources. The City has identified and will be allocating Proposition HHH funds for this Project and has determined that the Project is a homeless shelter project that would

qualify for the other homeless shelter funding sources identified in AB 1197, and that those funds may be applied to this Project if such funding becomes available, which further qualifies this Project for the exemption under AB 1197. Because the Project is partly funded by a qualified funding sources under Public Resources Code Section 21080.27(a)(2)(A), the funding requirement is met.

6. The City's Actions Qualify under AB 1197 as Actions in Furtherance of Providing Emergency Shelters in the City of Los Angeles

AB 1197 (Public Resources Code Section 21080.27(b)(1)), exempts from CEQA "any activity approved by or carried out by the City of Los Angeles in furtherance of providing emergency shelters or supportive housing in the City of Los Angeles." This Project involves the purchase of a hotel in the City of Los Angeles, lease or other agreement, and operation of an existing hotel / RoomKey shelter, as interim housing. The City will provide funding and enter into contracts with a qualified service provider and/or LAHSA, to lease and operate the emergency shelter. Therefore, the City's actions are in furtherance of providing emergency shelters in the City of Los Angeles and qualify for exemption from CEQA under AB 1197.

7. AB 1197 Conclusion

Based on the above-noted information, the Project is exempt from CEQA pursuant to Public Resources Code Section 21080.27.

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