



# Administrative Report

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H.21., File # 24-1689

Meeting Date: 10/15/2024

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**To: MAYOR AND CITY COUNCIL**

**From: MICHAEL W. WEBB, CITY ATTORNEY JOY FORD, QUALITY OF LIFE  
PROSECUTOR**

## **TITLE**

APPROVE LEASES AND ADDENDUMS FOR THIRTEEN SINGLE ROOM OCCUPANCY UNITS LOCATED AT 126 WEST D STREET, WILMINGTON, CALIFORNIA 90744 BETWEEN THE CITY OF REDONDO BEACH AND SWAMI INTERNATIONAL TO SERVE AS BRIDGE HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS.

## **EXECUTIVE SUMMARY**

As part of the Enhanced Response to Homelessness Program, the City leases eighteen (18) Single Room Occupancy (SRO) units from Swami International (Swami) in a city within Service Planning Area (SPA) 8. These SRO's serve as bridge housing to give people experiencing homelessness a safe place to stay while working on the steps to obtain permanent housing. Thirteen (13) of the eighteen (18) are set to expire on October 17, 2024. On June 4, 2024, the Mayor and City Council approved an agreement with the South Bay Cities Council of Governments (SBCCOG) to accept a grant of \$245,000 to lease motel and SRO beds. This grant will fund the leases for another year. Staff recommends that the Mayor and City Council approve the new thirteen (13) leases that are set to expire on October 17, 2025.

## **BACKGROUND**

On December 15, 2020, the City Council approved five (5) leases with Swami for five units at 126 West D Street, in Wilmington. The units are SRO's with shared laundry room, kitchen and bathrooms. Since then, the City has used these SRO's as bridge housing to help people experiencing homelessness get off the streets while searching for permanent housing. At the time, CDBG funds paid for the rent of these units. Rent was originally \$750 a month, and has since increased to \$1050 a month. On June 20, 2023, the City Council extended the original five leases to November 30, 2024.

Like the Pallet shelter, bridge housing has proven to help expedite the process of obtaining permanent housing for people experiencing homelessness. Bridge housing brings stabilization to people experiencing homelessness and helps them acclimate to a more structured lifestyle that will allow them to take the necessary steps towards permanent housing. For example, they no longer have to stay up at night to protect themselves and their property and can make the necessary appointments during daytime hours. In addition, staying at bridge housing makes it easier for housing navigators to locate their clients, and housing navigators no longer have to spend hours driving around to find them.

Redondo Beach has a 52% success rate of exits to permanent housing from these SRO's, which is far higher than the county's success rate of 17% of exits from shelter to permanent housing.

The City Council approved leasing thirteen (13) additional units for bridge housing during the Fiscal Year 23-24 Budget Adoption on the condition of identifying grants to fund the rent. Ronson Chu, SBCCOG Senior Project Manager for Homeless Services, mentioned to City Attorney Mike Webb that the SBCCOG allocated county Local Solutions funding for motel and SRO beds for all of its cities, but no City had yet made any requests for that funding. The City Attorney's Office submitted a proposal to the SBCCOG for Local Solutions funds. The SBCCOG granted the City \$235,150, and the City entered into an agreement to accept those funds on September 19, 2023.

Swami notified the City Attorney's office that they had thirteen (13) additional vacant SRO's. Swami values the working relationship with the City Attorney's Office as well as what we are doing through our Enhanced Response to Homelessness Program. Swami has attended multiple Homeless Court sessions and are supportive of all our programs. They want to continue that relationship, so they offered these rooms to Redondo Beach first before offering them to another agency, and held them vacant until funding was secured. Swami even agreed to lower the monthly rent from \$1050 to \$950 per unit. The City Council approved the leases for the thirteen (13) units on October 17, 2024 for a term of one year.

For this next year, rent will increase by four percent (4%) to \$988 a month per unit and the deposits that were previously paid will be carried over to the new leases.

As a reminder, the City will be jointly and severally liable for any damages or injuries caused by any of the tenants who reside in any of the units being rented. Normally, the City would not take on liability for third parties. However, we would not be able to get housing in another city without doing so. Service Providers such as Exodus and Harbor Interfaith enter into these agreements when placing someone in hotels or other temporary housing and pay for damages if any should occur. However, those incidents are rare because they carefully choose who is placed in such collaborative housing or hotels. The City would depend on our Housing Navigators to determine the best lower risk people to place at this location. In addition, the City is paying an additional \$12.50 per unit each month to enroll each tenant in a \$100,000 policy of Liability to Landlord Insurance (renter's insurance). This cost will also be covered by the grant funding.

Staff recommends that the Mayor and Council approve the thirteen (13) leases to use the SRO's as bridge housing.

### **COORDINATION**

The City Attorney's Office coordinated with Swami International in preparing this report.

### **FISCAL IMPACT**

Each room will have a monthly rent of \$988 and a monthly charge of \$12.50 for renter's insurance. These costs for the thirteen (13) units will be funded through the Local Solution Fund granted by the SBCCOG. If the leases are approved by the Mayor and City Council, the Finance Department will wire the funds to Swami International, which will be reflected in the next Accounts Payable Demands Agenda Item.

### **ATTACHMENTS**

Lease agreements with Swami International and attached addendums