



Administrative Report

H.14., File # 25-0100

Meeting Date: 1/21/2025

To: MAYOR AND CITY COUNCIL

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

TITLE

APPROVE LEASES AND ADDENDUMS FOR FIVE 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 FOR THE AMOUNT NOT TO EXCEED \$62,370 FOR THE TERM FEBRUARY 1, 2025 TO JANUARY 31, 2026

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) (also known as Sunshine 11, LP) 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. Some participants of Homeless Court stay at the bridge housing while they work on obtaining permanent housing. Five (5) of the eighteen (18) are up for renewal. On October 17, 2023, the City Council approved a Memorandum of Understanding (MOU) with the Judicial Council to accept a \$500,000 grant secured by Assemblymember Al Muratsuchi for Homeless Court. Exhibit A of the MOU states that one of the uses of the grant includes supportive housing during the course of the Program. This grant will fund the leases for another year. Staff recommends that the Mayor and City Council approve the new five (5) leases that are set to expire on January 31, 2026.

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, saving countless hours of 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. Since then, the COG awarded the city an additional \$245,000, and the City renewed the leases for those thirteen (13) units last October for another year.

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.

For this next year, rent will be \$1027 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 five (5) leases to use the SRO's as bridge housing for Homeless Court participants.

COORDINATION

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

FISCAL IMPACT

Each room will have a monthly rent of \$1027 and a monthly charge of \$12.50 for renter's insurance. These costs for the five (5) units will be funded by a grant awarded by Assemblymember Al Muratsuchi. If the leases are approved by the Mayor and City Council, payment to Swami will be on

the next City Council agenda under the Accounts Payable Demands Agenda Item.

ATTACHMENTS

Lease agreements with Swami International and attached addendums