



Administrative Report

H.7., File # 25-1452

Meeting Date: 10/14/2025

To: MAYOR AND CITY COUNCIL

From: JOY A. FORD, CITY ATTORNEY
STEPHANIE JOHNSON, QUALITY OF LIFE PROSECUTOR

TITLE

APPROVE LEASES AND ADDENDUMS FOR THIRTEEN (13) 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 FROM THE BEACH CITIES FOR THE AMOUNT NOT TO EXCEED \$239,150 FOR THE TERM OF OCTOBER 18, 2025 THROUGH JUNE 30, 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) in a city within Service Planning Area (SPA) 8. These SROs 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) leases are up for renewal. On October 7, 2025, City Council approved a Memorandum of Understanding (MOU) with the South Bay Cities Council of Governments (SBCCOG) to accept \$339,150 in Measure A Local Solution Funds for Homeless Court, SROs and motel stays. Exhibit 4 of the MOU delineates a proposed budget for the Redondo Beach SRO/Motel beds not to exceed \$239,150. Measure A Local Solution Funds will cover all eighteen (18) leases through June 30, 2026. Staff recommends that the Mayor and City Council approve the new leases for the thirteen (13) units that are set to expire on October 17, 2025.

BACKGROUND

On December 15, 2020, City Council approved five (5) leases with Swami for five units at 126 West D Street in Wilmington. The units are single occupancy rooms with a shared laundry space, kitchen and bathrooms. Since then, the City has used these SROs as bridge housing to help people experiencing homelessness get off the streets while searching for permanent housing. 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 SROs. Although not as

high as the 57% success rate of the Redondo Beach Pallet Shelter, it is still better than the 17% of exits from shelter to permanent housing in all of SPA 8.

The SBCCOG has secured new Measure A Local Solutions Funds for up to eighteen (18) SRO units totaling \$239,150 and the City entered into an agreement to accept this funding on October 7, 2025. This funding will support all eighteen (18) units through June 30, 2026. The lease term for these thirteen (13) units will commence October 18, 2025 and terminate June 30, 2026. Monthly rent is \$1,037.40 per unit with insurance costs at \$13.50 monthly per unit. The month of October 2025 will be pro-rated. This totals \$116,036.70 for the eight-month lease term.

The lease term for the other five (5) units is set to expire on January 31, 2026 and staff will seek renewal of those five (5) units through June 30, 2026 at a later time. Monthly rent for the five (5) units will be \$1,078.35 per unit. It is anticipated that insurance costs will go up to \$14.50 monthly per unit in 2026. It is expected that the costs for the five (5) units for a five-month lease term will total \$27,321.25. The City will need to assess whether renewal of all eighteen (18) SRO units is viable and necessary before the June 30, 2026 lease expiration date based on Measure A funding renewals and the expansion of the Pallet Shelter.

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. These 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 carefully select lower-risk individuals to occupy the SRO units. In addition, the City is paying renter's insurance, as outlined above, for each unit and will cover a \$100,000 policy of Liability to Landlord Insurance. This cost is covered by Measure A funding.

Staff recommends that the Mayor and Council approve the new leases for thirteen (13) SRO units for the term of October 18, 2025 through June 30, 2026.

COORDINATION

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

FISCAL IMPACT

The new monthly rental rate for the thirteen (13) units set to expire on October 17, 2025 will be \$1,037.40 with a monthly charge of \$13.50 for renter's insurance. The costs for these thirteen (13) units will be funded through Measure A Local Solution Funds received from the SBCCOG.

Submitted by:

Joy A. Ford, City Attorney

ATTACHMENTS

- Lease Agreement with Swami International for Unit 3
- Lease Agreement with Swami International for Unit 6
- Lease Agreement with Swami International for Unit 8
- Lease Agreement with Swami International for Unit 9
- Remaining Lease Agreements will be blue foldered