


## REPORT OF THE PRESIDENT &amp; CEO

May 28, 2020

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEES, TO ENTER INTO A SHORT TERM LEASE AGREEMENT FOR ONE YEAR WITH TWO ADDITIONAL ONE-YEAR OPTIONS WITH THE STATE OF CALIFORNIA'S DEPARTMENT OF TRANSPORTATION TO MANAGE UP TO TWENTY-THREE PROPERTIES OR UNITS AS EMERGENCY SHELTER/TRANSITIONAL HOUSING DURING THE TERM OF THE COVID-19 CRISIS AND UNTIL SUCH TIME AS THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES CAN ACQUIRE THESE AND OTHER STATE PROPERTIES TO SERVE AS PERMANENT AFFORDABLE HOUSING OR THE LEASE TERMINATES AND TO EXPEND UP TO \$225,000 ANNUALLY FOR POTENTIAL MAINTENANCE, MANAGEMENT OR ASSOCIATED SERVICES RELATED TO THE CARE AND OVERSIGHT OF THESE PROPERTIES**



Douglas Guthrie  
President & Chief Executive Officer



Jenny Scanlin  
Chief Strategic Development Officer

**Purpose:** The Housing Authority of the City of Los Angeles (“HACLA” or “Authority”) proposes to negotiate and execute a short-term master lease agreement for up to twenty-three properties in the El Sereno neighborhood within the City of Los Angeles (“Short Term Master Lease”) with the California Department of Transportation (“Caltrans”) in order to provide temporary emergency and transitional housing opportunities for families during the COVID-19 crisis. The intent of the proposed action will allow HACLA to provide a limited but important availability of units in northeast Los Angeles for families or households who do not have high service needs but have found themselves in the position of being homeless and in need of immediate secure and safe housing.

*Regarding:* Initial Action.

**Issues:**

*Background* The COVID-19 crisis and institution of Stay At Home Orders statewide and locally have illuminated a number of pain points in our system of care, including the need for a unique form of transitional or emergency housing that not only provides shelter but can also allow households to maintain social distance and personal health. Although the City of Los Angeles (“City”) has successfully launched its expansive Bridge Housing Program, the majority of these facilities are designed in a traditional shelter format, with large shared sleeping areas making it harder to socially isolate. In response to the more complex housing requirements presented by COVID-19 for families with housing instability and existing homeless populations, the County of Los Angeles (“County”) and City have successfully leased hotel rooms across Los Angeles and are working with the Los Angeles

Homeless Services Authority (“LAHSA”) to quickly fill these rooms.

However, there are some areas of the City where motels and hotels are fewer and farther between, leaving individuals who want to stay in the neighborhoods where they have existing social networks or connections to primary service providers without a lot of options. Additionally, larger households do not fit comfortably in these hotel rooms and with children needing to participate in online schooling find the lack of division in space an impediment to their productivity and in cases where there is only one head of household, they cannot split their family into multiple hotel rooms.

In the El Sereno neighborhood within the City, there are a number of vacant homes and small multi-family buildings that were originally purchased for the expansion of the 710 freeway and that remain under the ownership of the State of California and management of Caltrans. These units are low-density or single-family and located in quiet and secure streets that are part of a larger fabric of suburban homes. Their current vacancy and reasonably good physical condition lends them to be perfectly situated to provide suitable emergency or transitional housing for households in the northeast Los Angeles area seeking shelter during COVID-19.

Many of these homes became newsworthy when a group of individuals and families, who refer to themselves as “Reclaimants,” purposefully began occupying thirteen of these units to draw attention to the opportunity to use these vacant homes as safe sheltering opportunities during COVID-19 and to highlight the state of the general housing crisis in Los Angeles.

HACLA was aware of the underutilization of these properties and around this same time reached out to Caltrans to discuss the long-term opportunity to acquire available State-owned properties in El Sereno to expand the City’s permanent affordable housing stock. Although HACLA and Caltrans have agreed to continue discussions to compel the longer-term transition of these homes from state to local control, it was determined that both parties should focus on the more immediate needs to provide legal, safe emergency and transitional housing during the course of this pandemic.

*Properties*

Although Caltrans owns hundreds of residential and commercial properties in the El Sereno area, the majority are legally leased and occupied. Of the properties that are vacant, Caltrans requires some to remain vacant so they can be used for temporary relocation of their legal leaseholders when repairs or improvements are being made to regularly occupied properties. Caltrans has provided a list to HACLA of seventeen (17) individual single-family properties or units in multi-family buildings that Caltrans considers available for short-term leasing purposes (See Attachment 2, Site Maps). These seventeen (17) properties include seven (7) properties that are currently occupied by reclaimers however there are six (6) additional properties not included that are also occupied by Reclaimants. Prior to settling on the final list of properties, Caltrans will look at these additional six (6) properties to see if any of them can be added to the list.

Initial inspections of these properties is currently being conducted jointly by Caltrans, HACLA and its consultant, EMG. The inspection results will determine the extent of work required for each unit. Caltrans currently estimates these initial repairs at \$5,000 - \$10,000 per property. Typical repair items are the replacement of carpets, interior flooring and painting, and window coverings. Upon completion of the joint inspections, any additional repair items identified by HACLA or its consultant will be submitted to Caltrans for completion. HACLA is also awaiting any detailed modernization, lead testing or lead abatement history for each property and will provide any noticing required to future occupants.

HACLA may choose not to accept certain units if we have any concerns about habitability or do not believe the style or size of the unit is appropriate for emergency shelter purposes. Therefore, the final number of properties that will be short-term leased is characterized in this report as up to twenty-three but there are a number of factors which will determine the final amount.

*Master Lease* The State of California, through SB211 (California Streets and Highways Code Section 104.30), has the authority to enter into short term leases for emergency shelter and services and has been actively entering into these leases for various state-owned properties during the COVID-19 pandemic. The form of lease is structured based on regulatory requirements formed through legislative intent, however, HACLA has been working with Caltrans to make necessary modifications in the lease to address the particular properties proposed for leasing as well as some of the unique circumstances surrounding the El Sereno sites.

The proposed term of the Short Term Master Lease is proposed for one year, with two optional one-year renewal periods. HACLA will pay \$1 per property, per month for the right to lease each property and a \$500 Administrative Fee to Caltrans for the department's oversight of the Master Lease. The unique provisions of SB211 constrain the use of the sites for emergency or transitional housing only. The Master Lease has been modified to allow for longer-term stays in the units but households cannot occupy the housing beyond the term of the Master Lease. HACLA is prevented from entering into sub-leases and establishing any rights to occupancy. All households being placed are considered "User Invitees" and will enter the property under a unique transitional housing contract with the Authority and/or its property manager. The State allows HACLA to receive limited fees from User Invitees for the services or shelter provided, however, a User Invitee's ability to pay these fees, cannot be used to determine ineligibility for a contract or as an act of default under a household's contract. Therefore, HACLA does not anticipate receiving enough income from the Master Lease or the User Invitee contracts to cover the cost of management and maintenance and will need set aside funds for this purpose.

During the term of Master Lease, HACLA is responsible for normal maintenance, repair, utilities, landscaping, security and management. However, any larger repair or capital projects will be brought to the attention of Caltrans, who can choose to make the repair or terminate the lease on that particular property. HACLA has negotiated a significant noticing period (120 days) for any early termination in order to assist User Invitees to find

permanent housing or alternative transitional housing. Additional Master Lease terms can be found in the Summary of Terms contained in Attachment 3.

*Management  
Plan*

HACLA has an existing contract for property management with EAH, Inc., which the Board of Commissioners approved in August 2019. EAH, Inc. has significant experience managing low-density housing, including duplexes and townhomes and is well suited for the building types involved in the Master Lease. With a history of managing supportive housing and housing for formerly homeless, EAH, Inc. can bring the resources and management style necessary to ensure the Authority's success in managing these sites as transitional housing. EAH, Inc. will be working with HACLA to develop the appropriate screening tools and contract format to utilize with User Invitees required to align with the Master Lease requirements and the transitional nature of the housing. EAH, Inc. will utilize its existing contracts for maintenance and landscaping services but will coordinate with Caltrans on area wide services such as security.

HACLA and EAH will work with existing Reclaimant households to determine their housing needs and hopefully transition them to a unit under a legal contract that is appropriate for them. Both entities will work with PATH and The People Concern who are the lead organizations for homeless placement through the Coordinated Entry System for families and single adults in SPA 4, which includes El Sereno, to obtain referrals for new households and to coordinate additional services and prepare households for permanent housing.

**Vision Plan: PLACE Strategy #2: Increase functionality and effectiveness of the Asset Management portfolio.**

This broad strategy includes identifying opportunities to construct or provide space for temporary or permanent housing for homeless on HACLA properties. Although these are not HACLA-owned properties, in this time of crisis, HACLA can utilize its Asset Management expertise to step in and provide transitional housing opportunities as it works to secure a more longer-term control of these and other like sites for permanent affordable housing.

**PLACE Strategy #4: Steward efforts to reduce and alleviate homelessness.**

Similar to the action under Place Strategy 2, this strategy emphasizes the opportunity to partner with the City and County to secure additional permanent and bridge housing or beds to provide more opportunities for Rapid Rehousing.

**PLACE Strategy #8: Improve resilience of HACLA sites and neighborhoods**

This strategy focuses on using HACLA properties to be part of a neighborhood-wide strategy for resilience and response to disasters. In our mid- to long-range goals, HACLA proposes to identify appropriate locations on its own properties to be used as co-locations of emergency shelters or services during a disaster. This short-term lease arrangement

expands on this theme by using our Asset Management expertise to provide a similar solution.

**FUNDING:** The Chief Administrative Officer confirms the following:

*Source of Funds:* The non-public housing portfolio will cover the general operating and maintenance costs absent any fees collected from User Invitees or units eligible for reimbursement from the County's Project Roomkey Program or the City of Los Angeles' federal funding for emergency housing during COVID-19.

Assuming no outside funding is available and the Authority's collection of User Invitee Fees is de minimis, HACLA can expect to spend up to \$210,000 a year in maintenance, administration and management cost.

*Budget and Program Impact:* Based on similar properties in the Asset Management portfolio, the average cost of operating a unit is anticipated to be somewhere in the range of \$8,900 annually. Typically, most of the expense focuses on security, routine maintenance and property management fees for occupied units. In addition, under the Master Short Term Lease, Caltrans will charge HACLA \$1 a per month, per property as rent and will assess an annual administrative fee of \$500 for monitoring the lease.

Caltrans will, at its own expense, make repairs to each property to ensure the units are in good to excellent condition and each property can be certified and accepted by HACLA as habitable prior to incorporating the property into the Master Lease.

Under the proposed lease Master Lease terms, HACLA will cover items considered routine maintenance, repair and replacement up to a negotiated amount per repair at each property. Any improvements or capital expenses greater than the negotiated amount will be the responsibility of Caltrans. The primary expenses for these properties will include general property management, utilities, security and landscaping.

## **Environmental**

**Review:** Pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15060(c)(2) and 15061(b)(3), entering into a short-term lease to provide temporary housing in existing residential properties is exempt from CEQA. As demonstrated in this report, the proposed lease is not a "project" as defined by CEQA Guidelines Section 15378. Additionally, the proposed short-term lease is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that leasing existing residential property for housing purposes will have a significant effect on the environment. The short-term lease is constrained to using the properties as currently configured and by its nature will not spur any new development or direct physical effects. The intent of the Master Lease is to meet immediate housing demands and will improve the management and regulation of the activity and use of these existing residences. These activities are unlikely to result in a reasonably foreseeable direct or indirect impact on the environment.

**Section 3:** Section 3 covers contracts for work done in connection with expenditure of covered federal funds, which does not apply to this contract (24 CFR Part 135.5; HUD Handbook No 7460.8 Rev2). However, HACLA anticipates adding the properties to its existing contract with EAH Inc. for management services. EAH Inc. operates with an approved Section 3 Plan consistent with HACLA's Section 3 Guide and Compliance Plan. If this contract creates any new hiring opportunities, preference will be given to Section 3 Residents in all jobs following the order of hiring priority. Section 3 Businesses will receive preference for maintenance and other subcontracting needs

**Attachments:**

1. Resolution
2. Site Maps
3. Short-Term Lease Agreement Business Terms

ATTACHMENT 1  
**RESOLUTION**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEES, TO ENTER INTO A SHORT TERM LEASE AGREEMENT FOR ONE YEAR WITH TWO ADDITIONAL ONE-YEAR OPTIONS WITH THE STATE OF CALIFORNIA'S DEPARTMENT OF TRANSPORTATION TO MANAGE UP TO TWENTY-THREE PROPERTIES OR UNITS AS EMERGENCY SHELTER/TRANSITIONAL HOUSING DURING THE TERM OF THE COVID-19 CRISIS AND UNTIL SUCH TIME AS THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES CAN ACQUIRE THESE AND OTHER STATE PROPERTIES TO SERVE AS PERMANENT AFFORDABLE HOUSING OR THE LEASE TERMINATES AND TO EXPEND UP TO \$225,000 ANNUALLY FOR POTENTIAL MAINTENANCE, MANAGEMENT OR ASSOCIATED SERVICES RELATED TO THE CARE AND OVERSIGHT OF THESE PROPERTIES**

**WHEREAS**, the Housing Authority of the City of Los Angeles (the "Authority") is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, consisting of Part 2 of Division 24 of the California Health and Safety Code (the "Act"), including the power to finance, acquire and manage property in the furtherance of providing affordable housing; and

**WHEREAS**, the Act authorizes the Authority to make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and

**WHEREAS**, the Authority in its Build HOPE Vision Plan desires to assist the City of Los Angeles ("City") to build an expanded stock of housing for both affordable permanent and shelter/transitional purposes; and

**WHEREAS**, the COVID-19 pandemic has required all government agencies to work even harder to bring new housing solutions to the forefront with all immediacy and to provide housing for homeless households and those with unsecure housing options that do not ensure their ability to safely socially distance; and

**WHEREAS**, the Authority and the State of California ("State") through the California Department of Transportation ("Caltrans") have drafted a master lease ("Short Term Master Lease") for properties in the El Sereno neighborhood of the City that Caltrans has identified as available and reasonably suited for emergency or transitional housing in alignment with Section 104.30 of the California Streets and Highways Code and the Governor's Proclamation of a State of Emergency dated March 4, 2020; and

**WHEREAS**, the Authority has the power, authority and capacity to manage these properties in accordance with the terms of the Short Term Master Lease and intends to work with local service providers and the County and City of Los Angeles to identify, place and provide services to households qualifying as homeless or in unsecure housing options who could not otherwise safely socially distance in accordance with the County and City's current Stay at Home orders; and

**WHEREAS**, despite the potential cost to the Authority to comply with the Short Term Master Lease, HACLA finds it is in the public interest and the Authority's mission to enter into the lease agreement with Caltrans and has identified funds available to cover ongoing costs; and



**WHEREAS**, the Authority will pursue potential cost recovery through the County's Roomkey Program or other emergency federal or local grants; and

**WHEREAS**, the Authority will work collaboratively with the City, State and individuals currently occupying the identified Caltrans properties in the El Sereno neighborhood to screen and process these households to legally transition to contracts as User Invitees with the Authority for appropriate units that suit their household need and HACLA's habitability standards;

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Commissioners of the Housing Authority of the City of Los Angeles does hereby authorize and approve as follows:

Section 1. The recitals hereinabove set forth are true and correct, and this Board of Commissioners so finds. This Resolution is being adopted pursuant to the powers granted the Authority by Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code.

Section 2. The Authorized Representatives and officers of the Authority, including the President and CEO, or Designees, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transaction contemplated hereby. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the transaction contemplated in this Resolution are hereby approved and ratified, and the officers of the Authority and the authorized deputies and employees of the Authority, and each of them, including the President and CEO, or Designees, are hereby authorized and directed to do any and all things and to enter into and execute, acknowledge and deliver any and all agreements, with the approval of counsel, to effectuate the purposes of this Resolution without further approval of the Authority.

Section 3. **BE IT FURTHER RESOLVED** that this Resolution shall be effective upon its adoption.

APPROVED AS TO FORM:  
JAMES JOHNSON

HOUSING AUTHORITY OF THE CITY OF  
LOS ANGELES

By: \_\_\_\_\_  
General Counsel

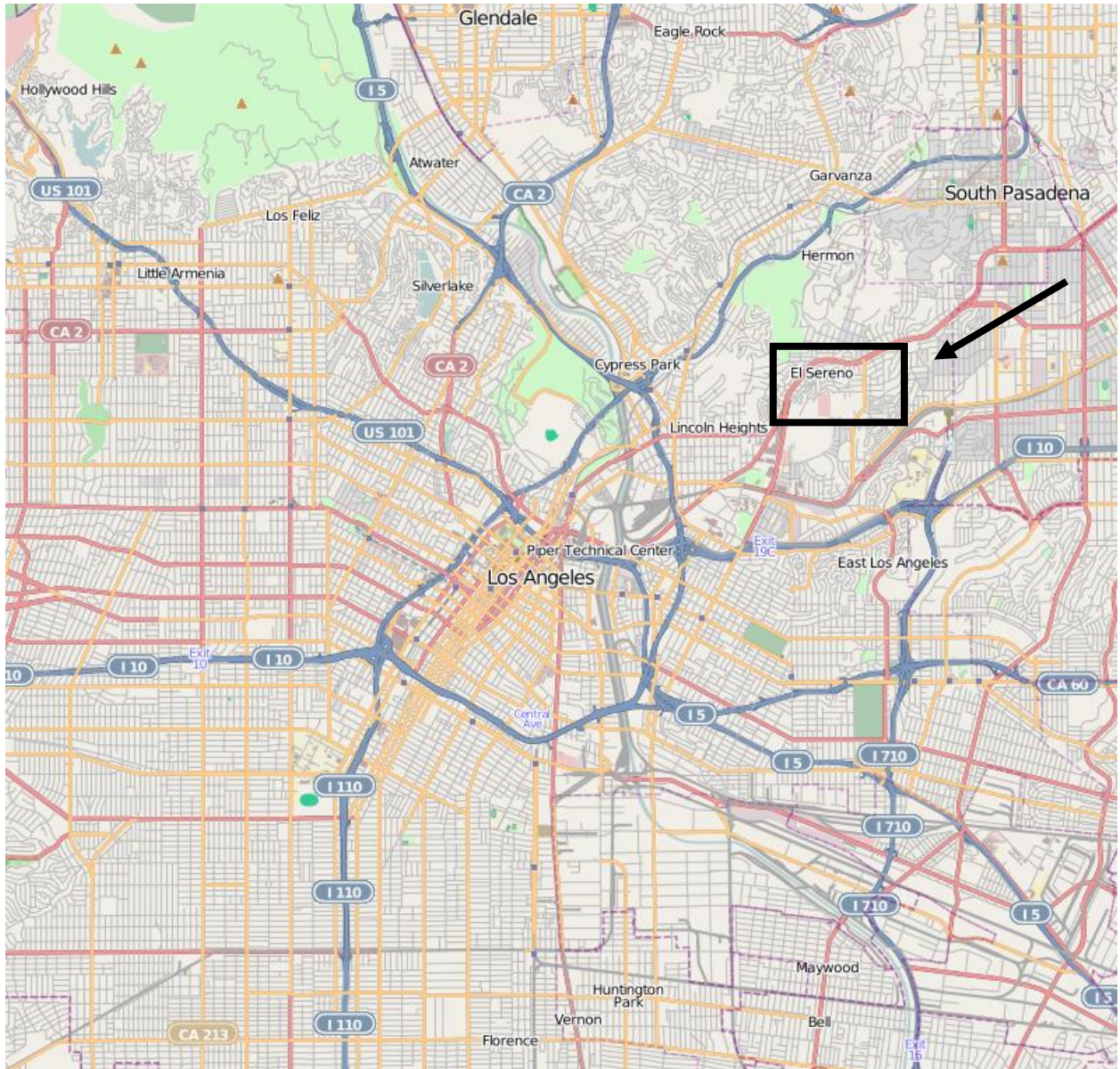
By: \_\_\_\_\_  
Chairperson

DATE ADOPTED: \_\_\_\_\_

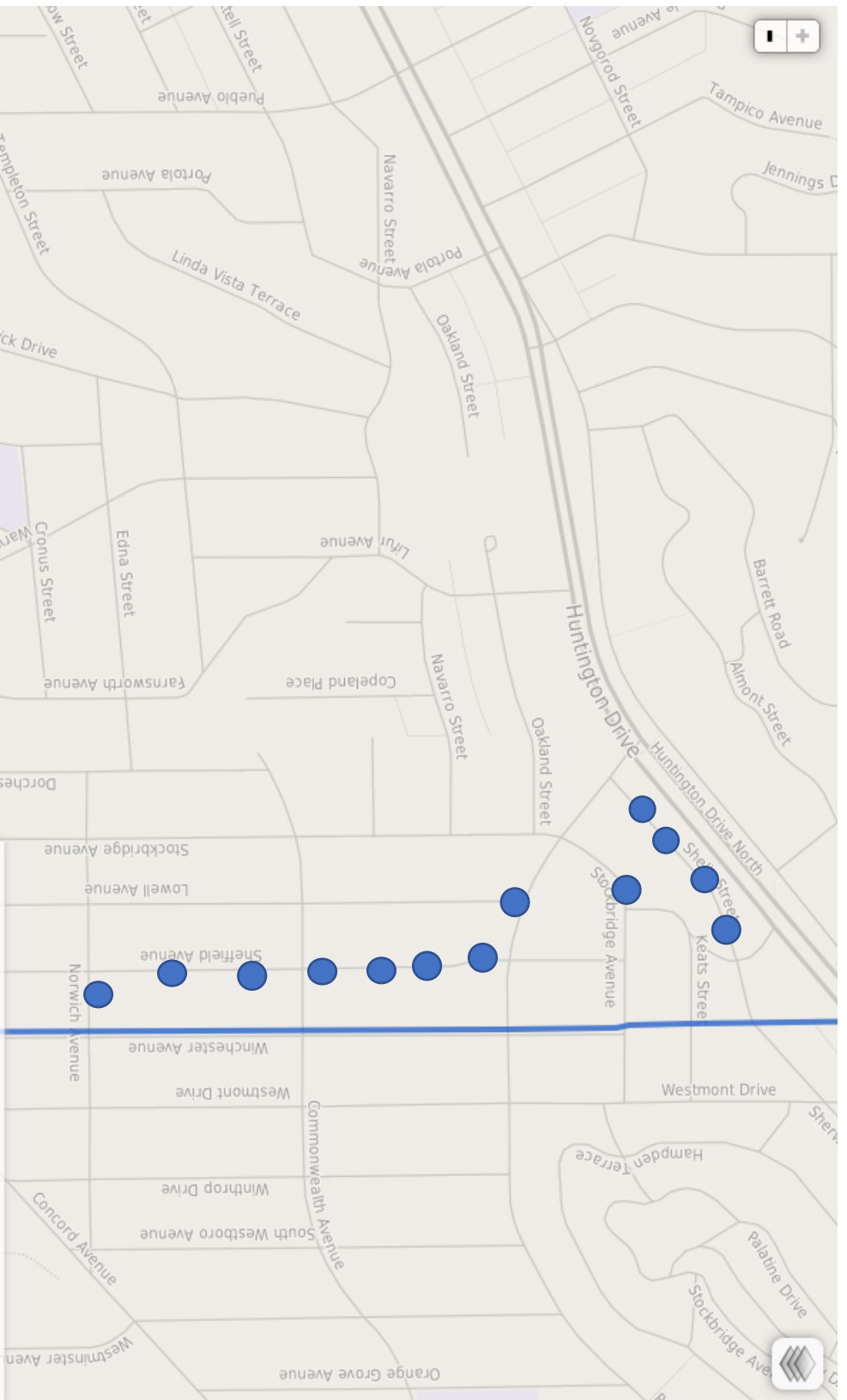
ATTACHMENT 2

**SITE MAPS**

# General Location of Caltrans Properties



# Caltrans Site specific properties



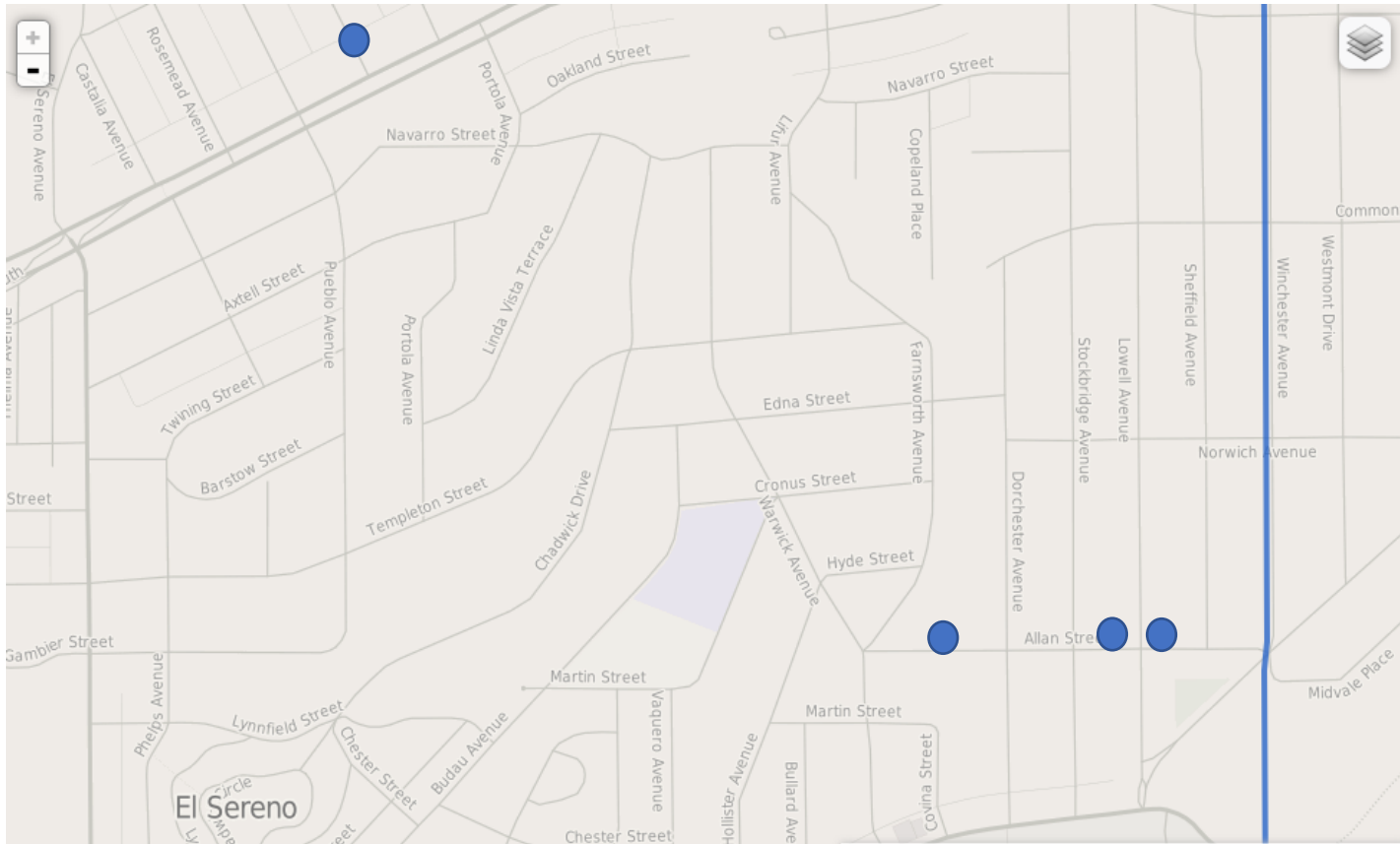
## Property Address

- 3135 Sheffield Ave Los Angeles Ca 90032
- 3222 Sheffield Ave Los Angeles Ca 90032
- 3315 Sheffield Ave Los Angeles Ca 90032
- 3427 Sheffield Ave Los Angeles Ca 90032
- 3430 Sheffield Ave Los Angeles Ca 90032
- 3530 Sheffield Ave Los Angeles Ca 90032
- 3931 Stockbridge Ave Los Angeles Ca 90032
- 4007 Lowell Ave Los Angeles Ca 90032

## Property Address

- 5443 Shelley Street Los Angeles Ca 90032
- 5461 Shelley Street Los Angeles Ca 90032
- 5467 Shelley Street Los Angeles Ca 90032
- 5337 Norwich Ave Los Angeles Ca 90032

## Caltrans Site Specific properties



### Property Address

- 4362 Maycrest Ave Los Angeles Ca 90032
- 5510 Allan Street Los Angeles Ca 90032
- 4415 Allan Street Los Angeles Ca 90032
- 5537 Allan Street Los Angeles Ca 90032

ATTACHMENT 3  
**SHORT-TERM LEASE AGREEMENT**  
**BUSINESS TERMS**

## Summary of Key Business Terms- Short Term Lease from Caltrans of Properties Near the 710 Freeway

<b>710 PROPERTIES – SHORT TERM LEASE</b>	
<b>BUSINESS TERM</b>	<b>SUMMARY OF SHORT TERM LEASE PROVISIONS</b>
1. Term	<ul style="list-style-type: none"> <li>The Lease term is currently scheduled for 1 year, with two 1-year options.</li> </ul>
2. Premises	<ul style="list-style-type: none"> <li>List of approximately 17 units provided by Caltrans. HACLA has asked if other properties currently occupied by reclaimers might be available. If they are, properties under lease would be no more than 23.</li> </ul>
3. Rent	<ul style="list-style-type: none"> <li>\$1 per month, per property; temporary User Invitees shall pay no rent to the Authority or to Caltrans, however, a small Contract Fee will be attached at move in.</li> </ul>
4. Security Deposit	<ul style="list-style-type: none"> <li>\$0</li> </ul>
5. Administration Fee	<ul style="list-style-type: none"> <li>Scheduled for \$500 per year total with potential offset w/Authority costs.</li> </ul>
6. Uses	<ul style="list-style-type: none"> <li>HACLA will limit use of the premises for the purposes outlined in California Streets and Highways Code §104.30 for the operation of temporary emergency/transitional shelter, as defined in California Health &amp; Safety Code §50801, subsections (e) or (i).</li> <li>Lessee will permit entry of user licensees (or “User Invitees”) to use the premises for temporary emergency/transitional shelter, but in no event will such users be tenants of either the Authority or Caltrans.</li> <li>Each shelter user licensee shall be subject to Lessee’s rules of entry/user agreement.</li> <li>Lessee shall not deny access to use of the Premises because a user invitee is unable to pay for access or use.</li> </ul>
7. Condition of Premise at Conveyance	<ul style="list-style-type: none"> <li>Prior to transmittal of control, Lessor and Lessee will perform joint inspections of each individual single-family or apartment residence and will come to a mutually agreed upon repair list to meet mutually agreed upon habitability requirements.</li> <li>After Lessor performs reasonable repairs and provides certain other assurances, disclosures, and certifications regarding ownership, liens, condition of property, lead, asbestos, mold, etc. for each residence, Lessee shall accept said residence under this Lease.</li> </ul>

	<ul style="list-style-type: none"> <li>• Lessee may refuse to accept any one individual residence without terminating the Master Lease.</li> <li>• Lessor may choose to not make repairs required by HACLA for habitability at the outset and remove one or more properties from the Master Lease.</li> <li>• After the above is completed, Lessee accepts properties As-Is.</li> </ul>
<p>8. Lessee Responsibilities</p>	<ul style="list-style-type: none"> <li>• Generally, Lessee shall not be responsible for duties or claims that arise due to actions or events taking place outside the Term of this Short Term Lease, including before the Lessee takes control of any individual property.</li> <li>• Aerially Deposited Lead (“ADL”): Lessee acknowledges that the Premises may be subject to a Department of Toxic Substances Control (“DTSC”) Agreement with Lessors for the management of ADL on the Premises. To the extent Lessee is responsible for disturbances of ADL, it will be responsible for costs related to abatement and removal. Lessor shall be responsible for all costs and liability for lead contamination, abatement, etc. not caused by Lessee and also costs traceable to occurrences before the Term of the Master Lease.</li> <li>• Gasoline: Lessee shall not operate or allow operation of a gasoline station or store or allow bulk storage of gasoline on Premises.</li> <li>• Hazardous/flammable materials: Premises shall not be used for the manufacture or storage of hazardous materials, flammable materials or explosives. Lessor shall afford Lessee an opportunity to cure, should a violation be discovered. Lessor is not responsible for prior conditions or materials, or claims therefrom, present prior to the Lease.</li> <li>• Signage: Signage may not be placed on the Premises without Lessor’s prior approval, however, Lessee is negotiating with Lessor as to its own required signage for property management that must be posted.</li> <li>• Commercial Activity: No commercial activity prohibited by existing local zoning requirements or ordinances shall be conducted on Premises.</li> <li>• CEQA: If Lessee initiates a project during the term to which CEQA applies, Lessee will be lead agency and perform obligations under CEQA as required, however, Lessee does not expect to initiate any such project.</li> </ul>
<p>9. Improvements</p>	<ul style="list-style-type: none"> <li>• Lessee shall not make any permanent improvements to realty without Lessor’s prior written consent, with the exception of routine plumbing, lighting, wall or window repairs.</li> </ul>
<p>10. Maintenance and Repairs</p>	<ul style="list-style-type: none"> <li>• After accepting the property, the Lessee shall be solely liable for continued operation and maintenance of the Premises up to a cost ceiling for repairs. Any repairs or capital improvements which</li> </ul>



	<p>exceed that cost ceiling shall be borne by Landlord. However, at Landlord’s discretion, they may choose to provide notice and terminate the lease on the property needing repairs instead of making such repairs.</p> <ul style="list-style-type: none"> <li>• Lessee shall, at its own cost and expense, maintain the Premises, and keep the Premises free of all grass, weeds, debris, and flammable materials of every description.</li> </ul>
11. Management	<ul style="list-style-type: none"> <li>• Day-to-day management and operation of the Premises will be managed by Lessee or its designated agent.</li> </ul>
12. Indemnity and Insurance	<ul style="list-style-type: none"> <li>• Lessee will self-insure.</li> <li>• Indemnity provisions will provide for normal mutual indemnification provisions</li> </ul>
13. Landlord’s Use of Premises	<ul style="list-style-type: none"> <li>• If Lessor determines it needs to obtain possession or a portion of the Premises, or needs to place restrictions on the use, Lessor shall provide 120 days notice.</li> <li>• The Parties are negotiating the details of this term, including with regard to removal of user licensees and Lessor’s provision of replacement housing for such licensees once Lessor takes possession of the property.</li> </ul>
14. Security and Enforcement	<ul style="list-style-type: none"> <li>• HACLA will ensure Caltrans restrictions on use and federal rules are carried through to all User Invitee contracts</li> <li>• HACLA will provide security as needed, however, since this is state land, the property is under the security and laws of the California Highway Patrol, not the Los Angeles Police Department.</li> <li>• HACLA will be responsible for maintaining the site in good condition, addressing any use complaints or violations, and make commercially reasonable efforts to prevent crime</li> </ul>
15. Termination	<ul style="list-style-type: none"> <li>• The Parties are negotiating the details of this term Only as it relates to Item 13 above.</li> <li>• Lessor or Lessee may terminate the Lease at any time by providing 120 days prior written notice. Lessor must provide the 120 days per the statute.</li> </ul>
16. Utilities	<ul style="list-style-type: none"> <li>• Lessee shall be responsible for the payment of all utility costs.</li> </ul>
17. Default by Lessee	<ul style="list-style-type: none"> <li>• Lessee will be in default of the Lease if it fails to perform any provision of the Lease it is obligated to perform.</li> <li>• Lessee will have 90 days to cure any default (or more if agreed upon), unless such failure poses a health or safety risk, in which case it shall have 3 business days to cure.</li> <li>• If the cure period expires, Lessor may terminate Lessee’s right to possession by lawful means and Lessee shall immediately surrender</li> </ul>

	possession; Lessor is entitled to recover all damages incurred by reason of Lessee's default.
18. Holding Over	<ul style="list-style-type: none"><li>• In the event Lessee must remove a user licensee from the Premises beyond the contract term, the term may be extended an additional 6 months. Lessee will, if possible, inform Lessor of the need for such extension and will advise Lessor once user licensee is removed.</li></ul>