

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Economic and International Development Department

AGENDA DATE: January 23, 2018

CONTACT PERSON/PH. No.: Jose Carlos Villalva – Real Estate Manager- (915) 212-1631

DISTRICT(S) AFFECTED: District 8

SUBJECT:

That the City Manager be authorized to sign a First Amendment to Lease between the City and La Posada Home, Inc. for the property at 1926-1930 Bassett Avenue, El Paso, El Paso Texas, to provide affordable housing for rapid rehousing clients and to extend the term of the lease.

BACKGROUND / DISCUSSION:

La Posada is requesting an amendment to the Lease to re-purpose the lease and provide affordable housing for Rapid Rehousing clients in the El Paso area rather than it being an emergency overnight shelter.

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

City Council approved La Posada lease June 26, 2012

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



CITY CLERK DEPT.
2018 JAN 16 PM2:09

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a First Amendment to Lease between the City and La Posada Home, Inc. for the property at 1926-1930 Bassett Avenue, El Paso, El Paso Texas, to provide affordable housing for rapid rehousing clients and to extend the term of the lease.

ADOPTED THIS _____ DAY OF _____, 2018.

THE CITY OF EL PASO

Dee Margo
Mayor

ATTEST:

Laura D. Prine
Interim City Clerk

APPROVED AS TO FORM:



Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



Jose Carlos Villalva
Real Estate Manager
Economic & International Development

APPROVED AS TO CONTENT:



Nicole Ferrini, Interim Director
Community and Human Development

STATE OF TEXAS)
)
COUNTY OF EL PASO) **FIRST AMENDMENT TO LEASE**

This First Amendment to Lease Agreement by and between the CITY OF EL PASO ("Lessor") and LA POSADA HOME, INC., a Texas non-profit corporation, ("Lessee") is entered into this _____ day of _____, 2018.

WHEREAS, on June 26, 2012, the parties entered into a Lease Agreement ("Lease") for the property located at 1926-1930 Bassett Avenue, El Paso, El Paso County, Texas ("Premises");

WHEREAS, Lessee has operated a Transitional Housing Program for Homeless Families with Children on the Premises, in accordance with Subtitle C of Part IV of the Stewart B. McKinney Homeless Assistance Act;

WHEREAS, Lessee has requested an amendment to the Lease to provide affordable housing for rapid rehousing clients in the El Paso geographic area rather than a transitional housing program; and

WHEREAS, Lessor has determined that there is a municipal purpose in revising the permitted use on the Premises because the requested use will provide affordable housing which is identified in the City of El Paso's Strategic Plan as well as the strategy of the El Paso Continuum of Care by increasing the supply of affordable housing in the City of El Paso, allowing for supportive services to be provided by personnel who are experienced in working with the homeless population, and preserving affordability for a low income population.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Paragraph 1.03 Restriction of Privileges, Uses and Rights of the Lease will be amended in its entirety to read as follows:

1.03 Restriction of Privileges, Uses and Rights. The rights and privileges granted to Lessee hereunder are subject and expressly limited to use as an affordable housing for rapid rehousing clients. Lessee will operate affordable housing for rapid rehousing clients on the Premises, whether the clients are referred by Lessee or other agencies in the El Paso area, and therefore, no person shall be denied entrance thereto nor will anyone be refused the use of the same. The facility consists of eleven (11) independent apartments, a community room, and an office for Lessee's staff. Services to be provided by Lessee to the clients it provides an apartment unit for shall also include, but are not limited to, residential services for a period up to twelve (12) months; supportive services such as assessment, counseling, case management to assure that program participants receive a

wide arrange of assistance such as education, job training, child care, transportation, and assistance in obtaining other Federal, State and local resources such as SSI, AFDC benefits and Food Stamps; advocacy; coordination of services from other community agencies, and life-skill classes in subjects such as nutrition, parenting and budgeting. The purpose of the services will be to facilitate the clients' transition to independent living and prevent the recurrence of their homelessness. Lessee agrees to restrict the use of the Premises to such purposes, and not to use or permit the use of the Premises for any other purposes without first obtaining the consent in writing of the Lessor.

Any change of use will require the prior written approval of the El Paso City Council. Failure to obtain the prior written approval prior to using the Premises for anything other than the purposes set forth herein shall constitute an event of default and may result in termination of the Lease.

2. Paragraph 4.01 Term of the Lease will be amended in its entirety to read as follows:

4.01 Term. This Lease shall expire on Dec. 31, 2018, and the Lease Term may be extended as per Paragraph 4.02 Option to Extend.

3. Paragraph 4.02 Option to Extend of the Lease will be amended in its entirety to read as follows:

4.02 Option to Extend. In the event Lessee is not in default of any terms of this Lease, this Lease may be extended for five (5) additional one (1) year terms upon the mutual agreement of the parties. The Lease may be extended for each extension period ("Extension Period") by Lessee's notifying Lessor in writing of Lessee's election at least one hundred and twenty (120) days prior to the expiration of the previous term and the consent of Lessor's City Manager to such extension. In the event the election is so exercised, the Lease shall be extended for one year (the "Extended Term") on the same terms and conditions.

4. Paragraph 5.03 Additional Consideration of the Lease will be amended in its entirety to read as follows:

5.03 Additional Consideration, Services. Lessee shall only use the Premises to operate affordable housing for rapid rehousing clients. In addition, Lessee shall provide Lessor with an annual written report at least one hundred and twenty (120) days prior to the expiration of the Term or Extended Term which includes information on the number of people/families housed or helped, the programs Lessee provides for its clients, and building maintenance reports.

5. Paragraph 10.04 Assignment, Sublease or License for Occupation By Other Persons of the Lease will be amended in its entirety to read as follows:

10.04 Assignment, Sublease, or License for Occupation By Other Persons. In the course of operation an affordable housing for rapid rehousing clients and subject to written

approval by Lessor, Lessee may determine it necessary and/or appropriate to charge the program clients/tenants a rental fee for their residency in the Premises.

Except as allowed by this amendment, Lessee agrees not to otherwise assign or sublease the Premises, any part thereof, or any right or privilege connected therewith, or to allow any other person except Lessee's agents, employees, or volunteers, to occupy the Premises or any part thereof without first obtaining Lessor's written consent.

Lessee's unauthorized assignment, sublease, or license to occupy shall be void and shall terminate the Lease at Lessor's option. Lessee's interest in this Lease is not assignable by operation of law, nor is any assignment of its interest therein assignable by operation of law without Lessor's written consent.

6. Except as expressly modified herein, all other terms and conditions of the June 26, 2012 Lease shall remain in full force and effect and shall remain as written.


IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ____ day of _____, 2018.

[SIGNATURES BEGIN ON NEXT PAGE]

LESSOR: CITY OF EL PASO

Tomás González
City Manager

APPROVED AS TO FORM:



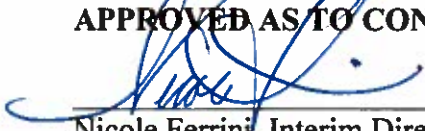
Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



Jose Carlos Villalva
Real Estate Manager
Economic & International Development

APPROVED AS TO CONTENT:



Nicole Ferrini, Interim Director
Community and Human Development

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____, 2018,
by **Tomás González as City Manager of the City of El Paso, Texas.**

Notary Public, State of Texas
Printed Name: _____

My Commission Expires:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

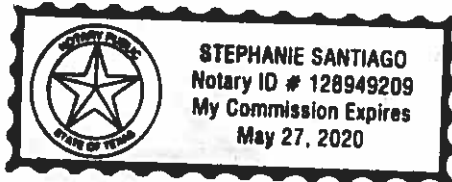
LESSEE:
LA POSADA HOME, INC.,
a Texas non-profit corporation

By: 
Sonya Saunders
Executive Officer

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this day 9th of January, 2018,
by Sonya Saunders, Executive Officer of La Posada Home, Inc., a Texas non-profit corporation,
on behalf of said entity.




Notary Public, State of Texas

Printed Name: Stephanie Santiago

My Commission Expires:



First Amendment to Lease between the City and La Posada Home, Inc.

Goal 1: Create an Environment Conducive to Strong,
Sustainable Economic Development



Background

- La Posada Home is located at 1926-1930 Bassett Ave.
- Original purpose of the site was to provide temporary and emergency overnight shelter for homeless and/or displaced families
- There are 11 apartment units, 1 laundry room
- Original Lease was executed in June 2012
- Rental amount \$1 per year
- New term is 1 yr. with 5-1 yr. options to extend



Amendment to Lease Purpose

- La Posada is transitioning from a temporary shelter to a Rapid Rehousing Program site.
- They will provide affordable housing rental units to families
- Rental units are up to 1 yr. leases making it more permanent
- Job, education, counseling assistance will still be provided with all other terms from the original lease



Recommendation

Staff recommends approval on re-purposing the site use, as Affordable Housing units will help prevent homelessness as well as shorten shelter stays



Questions?