



VETERANS AND COMMUNITY OVERSIGHT AND ENGAGEMENT BOARD



THANK YOU FOR JOINING THE 18TH
VETERANS AND COMMUNITY
OVERSIGHT AND ENGAGEMENT
BOARD

PLEASE BE PATIENT THE MEETING
WILL START SHORTLY

18th Veterans and Community Oversight and Engagement Board

Join via WEBEX

Join from the meeting link

<https://veteransaffairs.webex.com/veteransaffairs/j.php?MTID=mdecdb191531e94056fac598ca9f18274>

Join by meeting number

Meeting number (access code): 2760 070 7842

Meeting password: JAi2ZMZb?79

Join by phone

14043971596 USA Toll Number

[Global call-in numbers](#) | [Toll-free calling restrictions](#)

Join from a video system or application

Dial [27600707842@veteransaffairs.webex.com](https://veteransaffairs.webex.com)

You can also dial 207.182.190.20 and enter your meeting number.

18th VCOEB

Board Members and VA Staff Rules of Engagement

- ▶ To the greatest extent possible please hold all questions until the presentations are complete.
- ▶ The Chair will ask for questions and/or comments throughout the meeting.
- ▶ Turn your name card on its end to signify to the Chair your desire to provide comment or ask a question.
- ▶ Allow DFO/VCOEB Chair to yield the floor to you prior to speaking
- ▶ Please help our minute takers and identify yourself prior to speaking
- ▶ Allow the DFO support team to provide a microphone to you prior to speaking
- ▶ **Note: This meeting is being recorded.**



TRANSFORMING A CAMPUS INTO A
COMMUNITY



THOMAS SAFRAN
& ASSOCIATES

COLLABORATIVE PARTNERS



WEST LOS ANGELES VA NORTH CAMPUS REDEVELOPMENT



BLDG 207 UPDATE

B207 IS PART OF PHASE 0



Type **Adaptive Reuse**

Unit Count **60 (59 Veteran + 1 Manager)**

Population **Homeless Veteran Seniors (62+)**

Breakdown **53 studios, 6 one-bedrooms, 1 Manager**

AMI Levels **All units @ 30% AMI**





BLDG 207 UPDATE

B207 IS PART OF PHASE 0



Q4 2022 - Tenant Matching with VA / CES Partners

Q4 2022 – Substantial Completion of Construction

Q1 2023 – Tenant Occupancy





BLDG 207 UPDATE

B207 IS PART OF PHASE 0

- Lease Up/Move In Plan: Units will be filled via LAHSA CES in conjunction with CERS HUD/VASH, and TSA's team is meeting with Lead Service Provider U.S.VETS/CERS/PM/other services teams every other week during lease-up process
- Service Provider: U.S.VETS, VA HUD/VASH Case Managers
- Details of Services Plan:
 - 2 VA HUD/VASH Case Managers
 - 1 U.S.VETS Veteran Support Services Coordinator (Wraparound/evening services)
- Other Supportive Services Incorporated:
 - U.S.VETS Veteran Outreach Coordinator for wayfinding and support
 - U.S.VETS programmatic support (Women Vets on Point, Peer Support, Career Development Initiative, Outside the Wire for college students)
 - Coordination with VA sections and services
 - Coordination with other partner service providers to ensure gapless, full-range of services

VA BUILDING 207

CONSTRUCTION PROGRESS PHOTOS





BLDG 402 UPDATE

B402 IS PART OF PHASE 1



Type **New Construction**

Unit Count **120 (118 Veteran + 2 Manager)**

Population **Homeless and At-risk Veterans**

Breakdown **108 studios, 12 two bedrooms**

AMI Levels **Half @ 30% AMI, Half @ 50% AMI**





BLDG 402 UPDATE

B402 IS PART OF PHASE 1



Q1 CY 2023 – Start Construction

Q2 CY 2025 – Substantial Completion of Construction

Q2 CY 2025 – Tenant Occupancy





BLDG 404 UPDATE

B404 IS PART OF PHASE 1



Type **New Construction**

Unit Count **73 Units (72 Veteran + 1 Manager)**

Population **Homeless and At-Risk Veteran**

Construction Start **Q4 CY 2022**

Construction Finish **Q3 CY 2024**

AMI Levels **36units @ 30% , 36 Units at 50% AMI**





THANK YOU



THOMAS SAFRAN
& ASSOCIATES



@VETERANSCLLCTIV



/THEVETERANSCOLLECTIVE



WLAVC.ORG



VCOEB

SHANGRI-LA INDUSTRIES (SLI) + STEP UP



Welcome Home



SLI and Step Up's joint mission is to be at the forefront of change to deliver safe housing solutions coupled with compassionate support to help the most at-risk recover, stabilize, and integrate into their communities.

Our Mission 

Structure/Services



OWNER/DEVELOPER

- » Management/Ownership Interest In SLD, SLC, and Subtrades
- » Financial Support
- » Investments



DEVELOPMENT TEAM

- » Site Acquisition
- » Entitlements
- » Financing/Funding and Financial Modeling
- » Architectural Design
- » Construction Oversight
- » Compliance
- » Asset Management



GENERAL CONTRACTOR

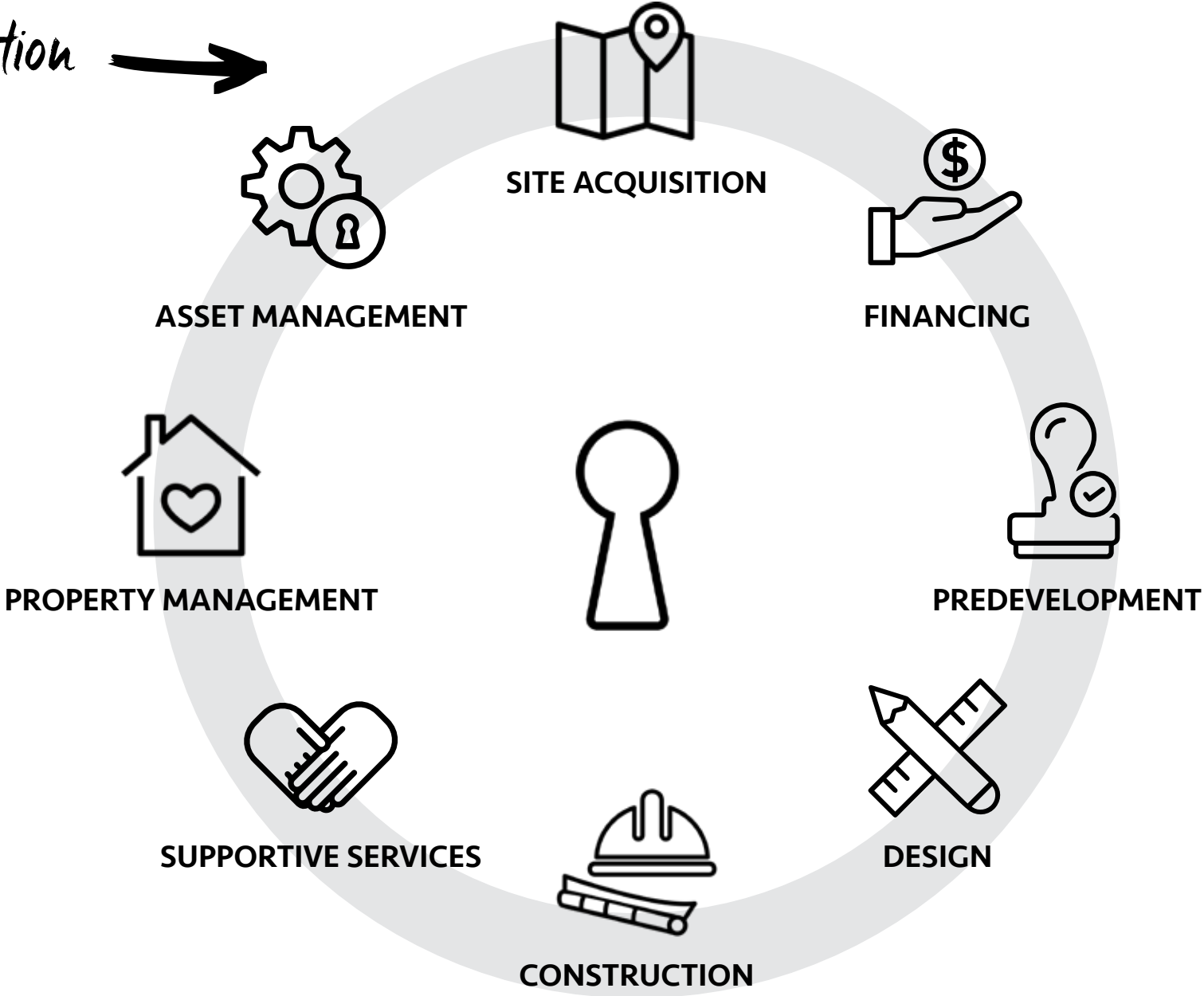
- » Preconstruction
- » Construction
- » Design-Build
- » Virtual Building
- » Sustainability/Wellness Consulting



SUPPORTIVE SERVICES/PROPERTY MANAGER

- » Development/Ownership
- » Individualized Supportive Services
- » Housing Placement
- » Property Management
- » Workforce Development
- » Programs for Transitional-Age Youth

Turnkey Solution





11301 WILSHIRE BLVD. LOS ANGELES, CA 90073

VA WEST LA CAMPUS - B205 & 208

B205

68 Units

B208

54 Units

TYPE

Rehabilitation

TARGET

Chronically Homeless
Senior Veterans



Projected Completion Date →



Lease Up/Move in Plan

- » Referrals to 205 and 208 will be provided by the VA and LAHSA's Coordinated Entry System.
- » Step Up Property Management and Step Up VASH Services staff participate in the VA CERS/PDT bi-weekly.
- » Services Coordination Meeting to review processes for referrals to VASH project-based housing projects on the VA campus.
- » Once TCO/CO for the properties is received, Step Up will request HACLA to perform HQS inspections to approve all vacant units for move-in.
- » Once HACLA and Property Management have approved an applicant, a move-in date will be set and a lease will be executed.
- » Concurrently, Step Up Property Management staff will work with each Veteran to complete the housing application and obtain approval for move-in. Step Up VASH staff assist each applicant in gathering all documents required to qualify for the tax credit properties.
- » Units are turn-key, fully-furnished and will be stocked with welcome home kits that allow for all the tenants' initial needs in permanent supportive housing.



Selected Services Provider - Step Up

- » Step Up on Second, Inc.
- » Nonprofit Public Benefit Corporation
- » 35 Years of Experience
- » 400 + Employees
- » Service Provider for 26 PSH Properties
- » Individualized supportive services focus on long-term stability and housing retention at no cost to the tenant through the evidence-based practices of Housing First, Harm Reduction, and Trauma-Informed Care
- » Individuals in Step Up housing and support programs remain stably housed at a 97% retention rate after 12 months

Details of Services Plan

- » All Veterans moving into 205 and 208 will be assigned a Step Up HUD-VASH Case Manager who will meet regularly with the Veteran, providing case management and mental health services.
- » 1:25 ratio of trained and credentialed HUD-VASH supportive services staff to tenants.
- » Services are provided on-site, in units and communal spaces Monday-Friday 8am-5pm and on-call after-hours.
- » Property Management's Resident Manager lives on-site and is available to assist after-hours and weekends.
- » The HUD-VASH Case Manager develops Individualized Services Plan (ISP) detailing the type of supports needed to assist the tenant in gaining access to medical, behavioral health, employment, social, educational and other services essential to meeting basic needs and to promote progress toward individual goals.
- » The HUD-VASH Case Manager reviews each tenant file including demographic and identification information, authorization for services, confidentiality and other information to substantiate benefits and needs.

- » Benefits are reviewed to assure access to income, health care, food programs and transportation.
- » For tenants not receiving all benefits for which they may be eligible, staff will assist with collecting identifying documents, financial and diagnostic information, and provide advocacy.
- » For tenants who are reliant on benefits, their status will be surveyed regularly to avoid stoppages.
- » Staff and property management representatives assist with move in and orientation, including an overview of on and offsite amenities and standards of good tenancy.
- » Monthly meetings encourage tenant engagement and promote collaboration between property management teams and tenants.
- » The Case Manager ensures individualized life skills supports and training are in place to increase self-sufficiency, including recreation/social activities, physical health/wellness, housekeeping, conflict resolution, choices for decreasing substance usage, and engaging in mental health and peer support services.
- » Staff provide orientation to all available transportation, including accompanying tenants on bus/train rides as part of the life skills learning process, assisting tenants in accessing disabled bus passes and ACCESS, and transporting tenants to appointments when necessary.

- » Step Up is a full-service mental health services provider and, as needed, can provide linkages and engagement with local mental health services providers.
- » Other linkages to appropriate external services, care, and providers as identified in the ISP include GED completion and training programs through adult education skills and Occupation Centers/ local colleges; job development and placement, benefits counseling, and support to maintain employment; inpatient/outpatient substance abuse rehabilitation programs and assistance in locating appropriate meetings/ sponsorship; and primary care physician/ community health care clinics, among others.





Successes

- » Most notably - there is a **97%** retention rate for members after 12 months.
- » Thousands of chronically homeless housed.
- » Job placement for members in programs run by Step Up including food service, janitorial work, etc. and assistance for members in typical employment.
- » Individualized outcomes in improved mental health.

← *Step Up in San Bernardino Members*

After experiencing homelessness and serious health issues during the pandemic, new Step Up members Cheryl and Billy Ray say that they've found peace and a second chance to pursue their goals after moving into their unit at the All-Star Lodge in San Bernardino. With their opportunity the couple plans to focus on Cheryl's health and finding a security job for Billy Ray. Their future goal is to "give back to the ones who can't fight for themselves."

THANK YOU.



MACARTHUR FIELD PHASE 1 EUL



MacArthur Field Phase 1 Enhanced Use Lease - B401-A

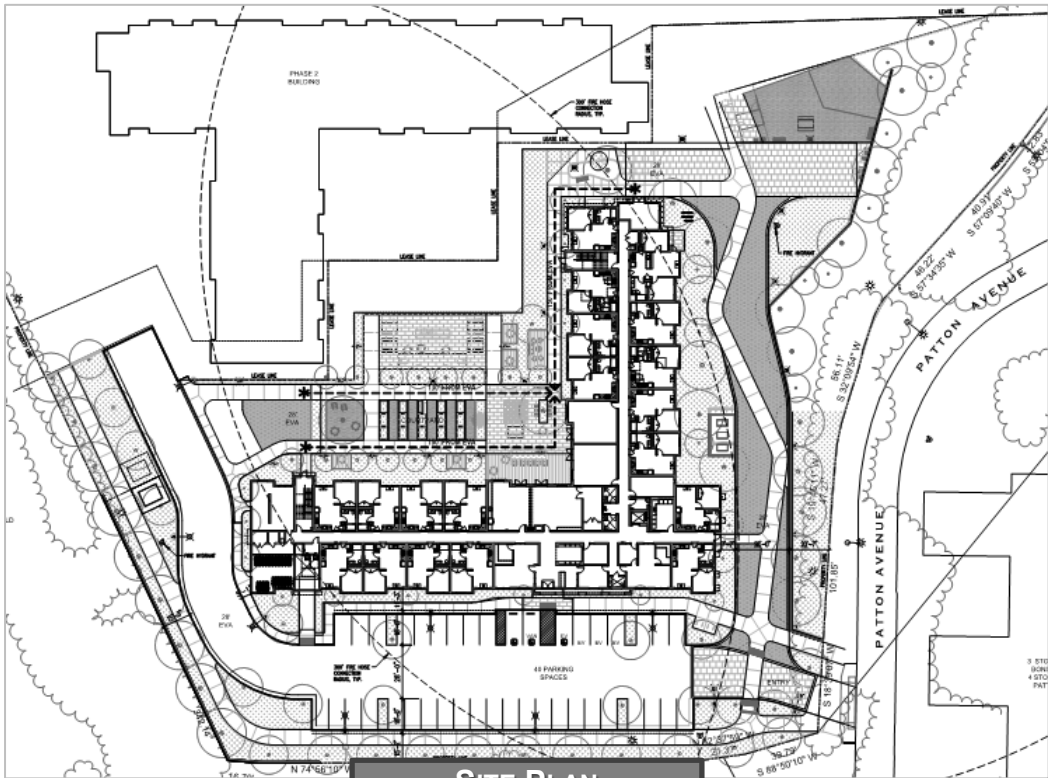
OVERVIEW: MACARTHUR FIELD PHASE 1 EUL – B401-A



- The Secretary intends to enter into an EUL with the competitively selected lessee/developer MacArthur A, LP (comprised of Affordable Housing CDC and Core MacArthur A, LLC) on ~3 acres of West Los Angeles Campus' MacArthur Field
- New construction of B401-A, comprised of **74 units permanent supportive housing for homeless and chronically homeless Veterans and their families** and 1 manager unit for a total of 75 housing units
- **New Directions For Veterans will provide supportive services to Veterans residing in B401-A**
- The project was **awarded 74 Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) Vouchers** – a Program that combines HUD's Housing Choice Voucher rental assistance for homeless Veterans with VA case management and supportive services for Veterans experiencing homelessness. In partnership with VA Greater Los Angeles Healthcare System, New Directions for Veterans, will provide these services for Veteran tenants of B401-A



PROJECTED TIMELINE: MACARTHUR FIELD PHASE 1 EUL - B401-A



- Congressional Notification and Federal Register Publication of VA’s intent to enter into an EUL for MacArthur Field Phase 1 was issued on October 12, 2022
- Following the expiration of the 45-Day Notification Period and the Office of Management & Budget (OMB) review, VA plans to execute this EUL
- **Anticipated Critical Path Milestone Timelines***:
 - [Financial Closing]: **December 2022**
 - [Construction Kick-Off]: **December 2022**
 - [Construction Completion]: **June 2024**
 - [Lease-Up]: **July 2024**

PROJECTED TIMELINE	CY 2020				CY 2021				CY 2022				CY 2023				CY 2024				CY 2025			
	FY 2Q	FY 3Q	FY 4Q	FY1Q	FY 2Q	FY 3Q	FY 4Q	FY1Q	FY 2Q	FY 3Q	FY 4Q	FY1Q	FY 2Q	FY 3Q	FY 4Q	FY1Q	FY 2Q	FY 3Q	FY 4Q	FY1Q	FY 2Q	FY 3Q	FY 4Q	FY 1Q
	CY 1Q	CY 2Q	CY 3Q	CY 4Q	CY 1Q	CY 2Q	CY 3Q	CY 4Q	CY 1Q	CY 2Q	CY 3Q	CY 4Q	CY 1Q	CY 2Q	CY 3Q	CY 4Q	CY 1Q	CY 2Q	CY 3Q	CY 4Q	CY 1Q	CY 2Q	CY 3Q	CY 4Q
F. B401-A MacArthur Field Phase I (74 Veteran Units)																								

*Timelines and schedules shown are estimates only and are dependent upon factors such as availability of construction materials, supply-chain issues, unforeseen issues, etc.

Veterans Community Oversight and Engagement Board (VCOEB)

Strategic, Facility and Master Planning (SFMP), VA Greater Los Angeles Health Care System (GLAHS)
Lease Revenue Expenditures Status



October 20, 2022

Agenda – October 2022

VCOEB Lease Revenue Expenditures Status Agenda October 20, 2022 @12:50PM PDT

Discussion Topics

Opening Remarks

Lease Revenue Expenditures(i.e., Withdrawals) Status

- Process for Utilization
- Expenditures to Date
- Planned Expenditures FY23

Alibi Topics

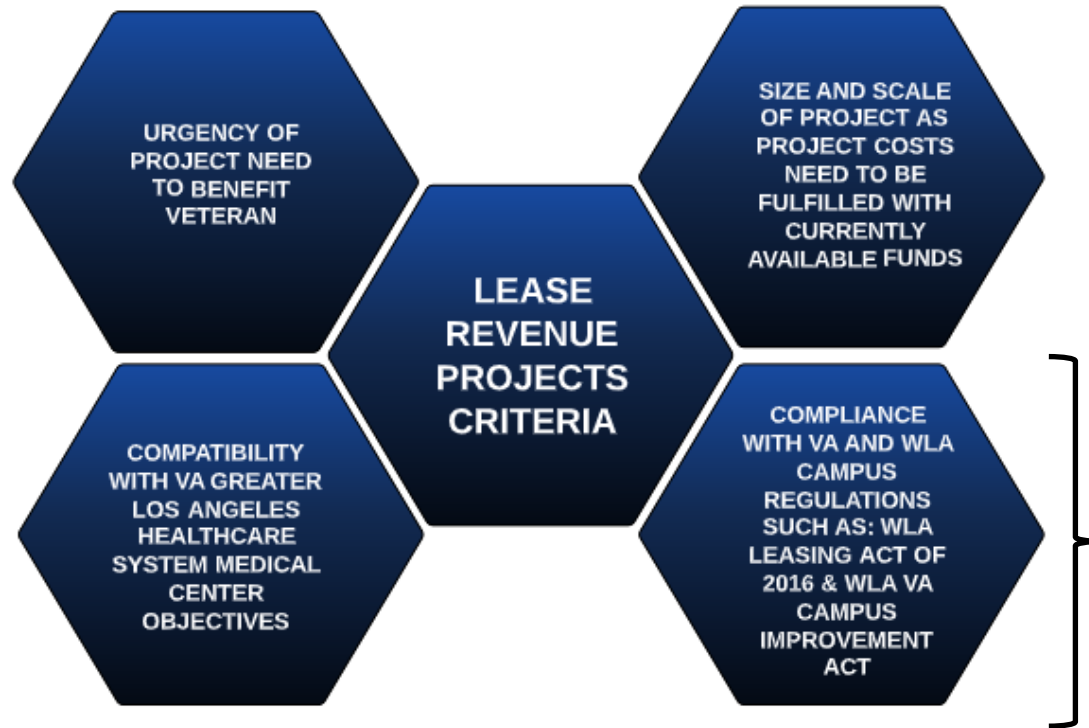
Closing Remarks

Lease Revenue Expenditures Status: Process for Utilization

The Chief, Office of Strategic, Facility & Master Planning for VA Greater Los Angeles Healthcare System is responsible for the management and oversight of the expenditures (i.e., withdrawals) funded from:

1. Lease revenues generated from any third-party land use at the WLA Campus, and
2. Any funds received as proceeds from any assets seized or forfeited, and any restitution paid, in connection with any third-party land use at the WLA Campus

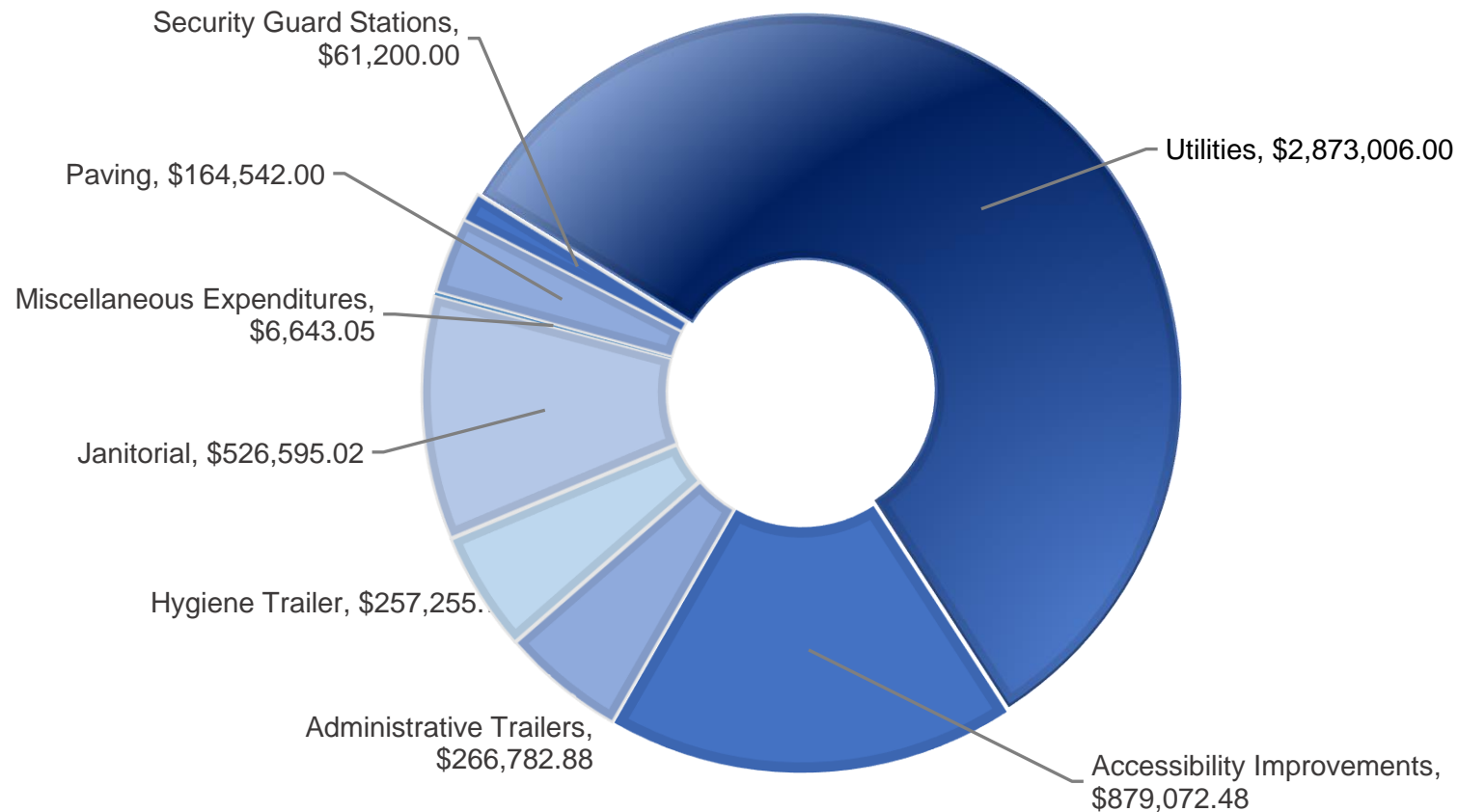
Projects are selected based on the following criteria:



- Lease revenues remain with the medical center to be reinvested onsite “exclusively for the renovation and maintenance of the land and facilities at the Campus”.
- Supporting construction, maintenance, and services at the WLA Campus relating to temporary or permanent supportive housing for homeless or at-risk veterans and their families.
- Renovating and maintaining the land and facilities at the WLA Campus.
- Carrying out minor construction projects at the WLA Campus.
- Carrying out community operations at the WLA Campus that support the development of emergency shelter or supportive housing for homeless or at-risk veterans and their families.

Lease Revenue Expenditures Status: Expenditures to Date

VAGLAHS has utilized both lease revenue funds and restitution funds in support of the WLA Campus redevelopment effort in these categories:



Lease Revenue Expenditures Status: Expenditures to Date (cont.)

CATEGORY	DESCRIPTION	COST
Ramps for Tiny Shelters at CTRS	Accessibility Improvements	\$1,699.90
Sidewalk Improvements	Accessibility Improvements	\$877,372.58
CTRS Admin and Welcome Ctr Trailers	Administrative Trailers	\$266,782.88
ADA Restrooms/Shower/Laundry Trailer	Hygiene Trailer	\$87,565.50
CTRS Portable Restroom and Handwashing Station	Hygiene Trailer	\$81,249.42
CTRS Portable Restroom and Handwashing Station	Hygiene Trailer	\$88,440.84
Janitorial Services CTRS 2nd Shift	Janitorial	\$290,541.44
Janitorial Services CTRS	Janitorial	\$26,228.18
Janitorial Services CTRS	Janitorial	\$209,825.40
Relocation of CERS/CTRS storage	Miscellaneous Expenditures	\$1,825.00
Batteries for Smoke Alarms	Miscellaneous Expenditures	\$46.80
Water for CTRS	Miscellaneous Expenditures	\$4,353.29
Shower Shoes for CTRS	Miscellaneous Expenditures	\$417.96
Tiny Shelter Paving	Paving	\$164,542.00
Four (4) CTRS Guard Shacks	Security Guard Stations	\$61,200.00
Tiny Shelters Utility (Transformer)	Utilities	\$740,411.00
CTRS Trailer Utilities Project 691-22-003	Utilities	\$385,315.00
Supply - 8,000' Wire for Tiny Shelters Temp Power	Utilities	\$23,130.00
Supply - CTRS Power Breakers for Tiny Shelters	Utilities	\$9,850.00
Utility Connections to Tiny shelters	Utilities	\$1,714,300.00
Total		\$5,035,097.19

Lease Revenue Expenditures Status: Planned Expenditures FY23

- A new project for improvements to the CTRS Tiny Shelters utilities including fire hydrants system and electric bike rack charging stations* has been identified and is being implemented; the estimated budget is \$492,952.00.
- Due diligence is currently in process for additional projects involving fire and life safety equipment, landscaping, security cameras, access road improvements, lighting, site perimeter fencing, and exterior and interior improvements to the Domiciliary and Community Living Center buildings.
- A summary of total funds, expenditures, and planned projects is shown in the table to the right.

CATEGORY	AMOUNT
Lease Revenue Funds	\$7,520,232.08
Restitution Funds	\$4,483,507.44
Total Funds:	\$12,003,739.52
Less: Expenditures	\$5,035,097.19
Less: Planned Projects 2023	\$492,952.00
Available Funds as of 9/30/2022:	\$6,475,690.33

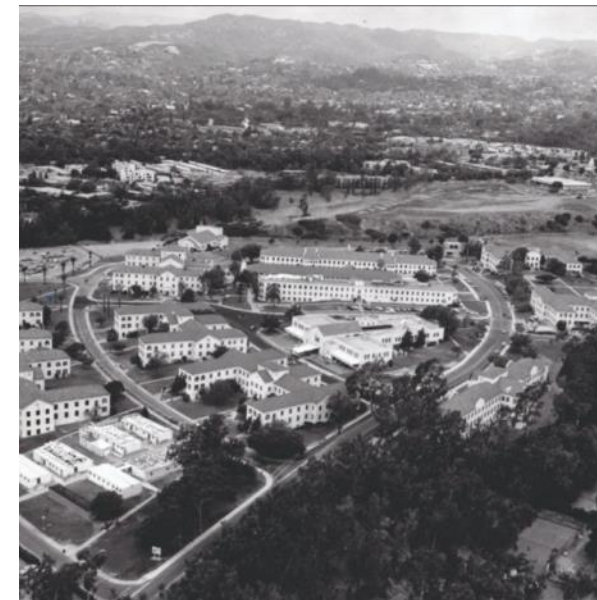
*Fire hydrants are currently located within the proper distance to CTRS, as mandated by City fire code, and are in proper working condition. The availability of fire hydrants was not an issue in the LAFD's response to the September 9 fire at CTRS. VA is always exploring potential improvements to safety and operations at CTRS.

Lease Revenue Expenditures Status: Planned Expenditures FY23+

- The proposed projects for FY23 and beyond that currently have preliminary project budgets are shown below.
 - Additional projects are under review and do not yet have preliminary project budgets.

PROJECT #	PROJECT NAME	COST
691-22-002	Domiciliary Garden Phase1	\$3,000,000.00
691-22-004	CTRS Access Road	\$995,000.00
691-22-007	Domiciliary Garden Phase2	\$3,500,000.00
691-22-013	Building 217 Renovation	\$2,000,000.00
691-23-102	Building 214 Renovation	\$1,200,000.00
691-23-212	Building 226 Renovation (Wadsworth Theater)	\$4,500,000.00
Total		\$15,195,000.00

- The available lease revenue and restitution funds as of 9/30/2022 is \$6,475,690.33 and the current annual lease revenue is approximately \$1,450,000.



Comments or Questions?



DHS Housing for Health

The FHSP & HUD-VASH CCM Pilot

October 20, 2022
VCOEB Federal Advisory Committee

Leepi Shimkhada

Deputy Director,
Housing for Health

Joshua Legere

Associate Director of Housing + Services,
Housing for Health

Karen Hamilton

Associate Director of Housing + Services,
Housing for Health

Our History

Created in 2012 as a “prescription for housing” for DHS patients to reduce inappropriate use of expensive health care resources and improve health outcomes

HFH expanded through investments by other County departments and Measure H

Housing and integrated service packages aimed at addressing social determinants of health



Housing for Health Program Overview

Street-Based Engagement

Outreach and multidisciplinary services to individuals living on the street.

Outreach

Interim Housing

Short-term housing that offers a safe space to recuperate and stabilize, connect to services, and work on permanent housing.

Stabilization
Beds

Recuperative
Care

Permanent Housing

Housing assistance and individualized supportive services focused on housing retention and improving health outcomes.

Homelessness
Prevention
Unit

Permanent
Supportive
Housing

Enriched
Residential
Care

Benefits Advocacy

Clinical Services

Our Approach

HFH provides housing and services to people experiencing homelessness with complex health and behavioral health conditions, high utilizers of public services, and other vulnerable populations.

Principles:

Housing First

Connect individuals to permanent housing without preconditions or barriers to entry

Harm Reduction

Respect, dignity, and compassion

“Whatever It Takes” Mentality

Flexible approach to service delivery and an adaptable portfolio of interventions

Partnering with community-based organizations and experts:

Braided funding creates simplicity and sustainability

Master Services Agreement enables quick scaling and flexibility

Collaboration, integrity, and frequent, hands-on technical assistance

Funding Sources and Impact

Funding Sources

ARPA

CFCI

DPH

DMH

HDAP

HHAP

HHC

LA Care

Measure H

ODR

Probation

SAM

WPC/CalAIM

5,960 households currently hold FHSP vouchers

FHSP used in scattered-site, project-based, and enriched residential care settings

Funding source defines eligibility and referral pathways

FHSP is flexible - can be used for people and housing settings that are ineligible for federal subsidies

Flexible Housing Subsidy Pool (FHSP)

FHSP enables County partners to create and quickly scale housing opportunities. Administered by our nonprofit partner Brilliant Corners, the FHSP offers:

- Locally funded housing subsidies and supports
- Dedicated landlord engagement and ongoing support to cultivate and maintain a portfolio of scattered site housing
- Agreements with PSH developers to develop and sustain project-based sites
- Temporary financial assistance for individuals to obtain and maintain housing



How the FHSP Works

The FHSP's Client- and Landlord-Facing Services:

Client is assigned a unit by Brilliant Corners (BC) or locates a unit with ICMS case manager

- BC negotiates lease terms using landlord incentives and legal instruments
- BC coordinates lease signing, security deposits, rent payment, and move-in assistance
- Clients pay 30% of their income in rent

Clients receive on-going housing retention services that coordinate with ICMS case managers



What is the HUD-VASH CCM Pilot?

Effective January 1, 2021, the National Defense Authorization Act included provisions expanding HUD-VASH eligibility for veterans that have received a discharge designation identified as, “other than honorable.”

Very similar to the traditional HUD-VASH Program, in this model, instead of VA and their contracted agencies providing the case management and supportive services, the Los Angeles County Department of Health Services’ (DHS) contracted agencies will be providing that service to access vouchers for the veterans.



Target Population Served

- Meet the definition of “Veteran” in accord with 38 U.S. Code § 2002(b).
- Meet “Homeless” definition as determined by the VA
- Received a discharge designation identified as, “other than honorable.”
- Meet the definition of “Low Income” in accord with the 80% AMI in the Los Angeles County
- Cannot be a registered sex offender
- Must agree to participate in case management



Housing Search

Following the voucher briefing and voucher issuance, DHS will provide a wide range of housing navigation and lease up supports to Veterans, including:

- Housing search and neighborhood information
- Introductions to landlords with available units for lease
- Rental application assistance & negotiations with landlords
- Assistance requesting reasonable accommodations & voucher extensions
- Financial assistance



Supportive Services

Additional supportive services will be provided by DHS in order to afford a range of tailored services designed to meet the individual's needs, including:

- Housing stability plan including linkages to social and other community-based resources
- Housing stabilization supports such as negotiations with landlords, resources to pass annual Housing Quality Standard inspections, & connections to emergency financial assistance to avoid evictions
- Moving assistance to find alternative housing when needed
- Vocational assistance
- Linkages and referrals to inpatient, outpatient, and specialty care services



Questions?

Thank you!

VCOEB RECOMMENDATION 18-1

WHEREAS, the West Los Angeles (“WLA”) Leasing Act of 2016 (P.L. 114-226) charged, in subsection (g), that the Secretary of Veterans Affairs “shall ensure that each lease carried out under this Section is consistent with the draft master plan approved by the Secretary on January 28, 2016, or successor master plans.”

WHEREAS, the West Los Angeles Leasing Act of 2016 (P.L. 114-226) charged, in subsection (j)(3), that the Inspector General (the “IG”) of the Department of Veterans Affairs (the “Department”) shall submit a report to the Veterans Affairs Committees and Appropriations Committees of the U.S. Congress “on all leases carried out at the Campus and the management by the Department of the use of the land at the Campus....”

WHEREAS, on September 28, 2018 the IG’s Office of Audits and Evaluations issued a report entitled “*VA’s Management of Land Use Under the West Los Angeles Leasing Act of 2016*” (the “*First Audit Report*”) (<https://www.va.gov/oig/pubs/VAOIG-18-00474-300.pdf>). Among its conclusions, the IG determined that eleven land use agreements did not comply with the WLA Leasing Act, including the lease to Brentwood School (a private K-12 school). The IG report concluded that the lease to Brentwood School violated federal law in two, different respects: the lease was not veteran-focused and did not rely upon adequate monetary consideration:

A lease allowed Brentwood School’s continued use of their Athletic Facilities located on 21 acres of the WLA campus. VA reviewed this land use agreement following the settlement of *Valentini vs. Shinseki* to determine whether it could be made sufficiently veteran focused. In November 2016, VA decided to continue its long-term relationship with the Brentwood School by executing a 10-year lease. Under this lease, the Brentwood School was to pay \$850,000 in annual rent and provide non-monetary, in-kind consideration valued at \$918,000.5 ***The OIG determined that the Brentwood School lease violated the WLA Leasing Act because the principal purpose of this lease was to provide the Brentwood School continued use of the athletic facilities. The OIG also found that VA’s acceptance of non-monetary, in-kind consideration is not authorized under 40 U.S.C § 1302, which requires VA to only accept monetary consideration for Out Lease agreements..***

(Excerpt is attached as Exhibit A.)

WHEREAS, on September 29, 2021 the IG’s Office of Audits and Evaluations issued a second report entitled “*VA’s Management of Land Use Under the West Los Angeles Leasing Act of 2016: Five-Year Report*” (the “*Second Audit Report*”) (<https://www.va.gov/oig/pubs/VAOIG-20-03407-253.pdf>). This second audit concluded that of the eleven prior leases judged non-complaint in the 2018 audit report, two of them remained non-compliant as of the current

reporting period. Again, the Department's lease with Brentwood School was judged to be in violation of the WLA Leasing Act and federal law, for the same reasons as set forth in the *First Audit Report*. (Excerpt is attached as Exhibit B).

WHEREAS, in response to the IG's conclusion, the Department has argued that the lease with Brentwood School meets the requirements of (2)(b)(2) of the WLA Leasing Act by resorting to an interpretation of the Act that is not supported by the text, as explained by the IG in the *First Audit Report*:

[D]uring the audit VA shared its interpretation of Section 2 (b)(2) and why it believed the Brentwood School lease complied with those provisions.

VA's interpretation does not require the underlying lease to provide services that principally benefit veterans, it just requires the Lessee provide services that principally benefit veterans and their families. VA OGC stated "VA can grant leases at West LA for terms of up to 50 years – where the third party provides services that principally benefit Veterans and their families." Therefore, the actual use of the land is secondary to the services received. The language in the Act is clear as to the requirements for leases under Section 2 (b)(2) to principally benefit veterans and their families. ***The Act is also clear that Congress asked the OIG to determine whether leases and land use at WLA complied with the WLA Act***, other Federal laws relating to leases and land use, and the DMP. In essence, as to the Brentwood School, VA is asking the OIG to ignore the clear language of the Statute....

WHEREAS, the VCOEB is of the opinion that: (1) the IG's audit conclusions regarding the illegality of the lease with Brentwood School are correct; (2) the Department's assertions to the contrary are misplaced; and (3) given substantial public concern about the fairness and legality of the lease to Brentwood School, the Department's continued failure to address the non-complaint nature of the lease discredits efforts to redevelop the Campus consistent with the 2022 Master Plan.

WHEREAS, the Department has argued that the consideration provided by Brentwood School meets the requirements of federal law because, according to the Department, 40 U.S.C. §1302¹ and 38 U.S.C. §8122² do not apply. But as pointed out by the IG in the First Audit Report, this argument is so vaguely asserted that the IG was forced to respond that "it is unclear

¹ 40 U.S.C. §1302 states "[e]xcept as otherwise specifically provided by law, the leasing of buildings and property of the Federal Government ***shall be for a money consideration only***. The lease may not include any provision for the alteration, repair, or improvement of the buildings or property as a part of the consideration for the rent to be paid for the use and occupation of the buildings or property. Money derived from the rent shall be deposited in the Treasury as miscellaneous receipts."

² 38 U.S.C. §8122 states "The Secretary may lease for a term not exceeding three years lands or buildings, or parts or parcels thereof, belonging to the United States and under the Secretary's control. The proceeds from such leases, less expenses for maintenance, operation, and repair of buildings leased for living quarters, shall be covered into the Treasury of the United States as miscellaneous receipts."

which tenet of statutory interpretation leads to the conclusion that 40 U.S.C. §1302 and 38 U.S.C. §8112 do not apply to the campus.”

WHEREAS, the VCOEB is of the opinion that: (1) the IG’s audit conclusions regarding the inadequacy (and illegality) of the consideration used for the lease with Brentwood School are correct; (2) the Department’s assertions to the contrary are misplaced; and (3) given substantial public concern about the fairness and legality of the lease to Brentwood School, the failure to pay the minimum required monetary consideration discredits efforts to redevelop the Campus consistent with the 2022 Master Plan.

NOW THEREFORE LET IT BE RECOMMENDED:

RECOMMENDATION 18-1-A: the Secretary of Veterans Affairs instruct the appropriate offices within the Department to enter into a six-month, focused effort to renegotiate the lease with Brentwood School, so that the *lease* principally benefits veterans.

RECOMMENDATION 18-1-B: if the parties are unable to reach agreement on a new lease, that the Department provide notice to Brentwood School of its intent to terminate the lease with the end of the current academic school year (2022-2023).

RECOMMENDATION 18-1-C: if Brentwood School opposes the Department’s right to terminate the lease, that the Department initiate a lawsuit in the Central District of California to have a judge determine the legality of doing so

RECOMMENDATION 18-1-D: the Secretary of Veterans Affairs instruct the West LA VA Leadership to meet with the Brentwood School and arrange a payment plan so that Brentwood School can pay all of the monetary consideration that it has failed to pay during the term of its lease, since the passage of the WLA Leasing Act.

RECOMMENDATION 18-1-E: if the Brentwood School opposes the West LA VA Leadership’s efforts to recoup money due under the lease, that the Department initiate a lawsuit in the Central District of California to have a judge determine whether any amounts are due under the lease.

VCOEB RECOMMENDATION 18-02

WHEREAS, Permanent supportive housing is the best solution to end veterans homelessness;

WHEREAS, VA Greater Los Angeles Healthcare System has identified a lack of available tenant-based voucher units as a major bottleneck to moving veterans from homelessness and transitional programs into permanent supportive housing;

WHEREAS, Increasing rental payments to landlords would provide further incentive to lease available housing supply to veterans participating in the HUD-VASH program;

WHEREAS, In 2017, the District of Columbia Housing Authority approved a Housing Choice Voucher Program payment standard increase up to 175% of the Fair Market Rent (FMR);¹

WHEREAS, In 2018, the District of Columbia Housing Authority Commission approved an additional increase up to 187% FMR for Fiscal Year 2019; and

WHEREAS, 24 CFR § 982.503 – “Payment standard amount and schedule” authorizes public housing authorities to petition the Assistant Secretary for Public and Indian Housing to increase FMR above the 120% threshold.²

NOW THEREFORE LET IT BE:

RECOMMENDED, the Secretary of Veterans Affairs write a letter to the Secretary of Housing and Urban Development, including all 19 local public housing authority agencies in the County of Los Angeles³, requesting interagency cooperation to increase maximum rent that can be paid through the HUD-VASH program to at least 175% of Fair Market Rent.

IN WITNESS WHEREOF, the Veterans and Community Oversight and Engagement Board adopts this recommendation as of October 20, 2022.

¹ [District of Columbia Housing Authority Recommendation 18-36](#)

² [24 CFR § 982.503 - Payment standard amount and schedule](#)

³ Los Angeles County Development Authority, Housing Authority of the City of Los Angeles, Burbank Housing Authority, Glendale Housing Authority, The City of Pasadena Department of Housing, The Housing Authority of the City of Long Beach, The City of Hawthorne Department of Housing, Pomona Housing Authority, The Norwalk Housing Authority, The City of Santa Monica Housing Office, The Redondo Beach Housing Authority, Compton Housing Authority, Baldwin Park Housing Authority, Culver City Housing Agency, Hawaiian Gardens Public Housing Authority, Inglewood Housing Authority, Pico Rivera Housing Assistance Agency, South Gate Housing Authority, City of Torrance Housing Assistance Office