



**DEPARTMENT OF VETERANS AFFAIRS
Greater Los Angeles Healthcare System
11301 Wilshire Boulevard
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In Reply Refer To: 691/00PA

November 1, 2017

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RE: Vets Advocacy Response to VA's West Los Angeles Leasing Act of 2016
Annual Report

Dear Mr. Garcia:

Thank you for your letter dated October 9, 2017, regarding the VA annual report that was submitted to Congress in August 2017, under the West Los Angeles Leasing Act of 2016 (i.e., Public Law 114-226) (the "Act"). By way of background, the Act became law on September 29, 2016, and Clause 2(j)(2) requires VA to provide an annual report to the Veterans Affairs Committees; the Committees on Appropriations; and each member of the Senate and House of Representatives, who represents the area where the West Los Angeles Campus (the "Campus") is located.

In accordance with the WLA Leasing Act, the annual reports must identify all leases and sharing agreements "carried out" at the Campus under Sections 2(a) and 2(c) of the Act, and summarize the revenues generated from such agreements and deposited into VA's medical facilities account, and specify how such funds were used per Clause 3(d) of the Act, to renovate and maintain land and facilities at the Campus. VA is committed to transparency as the work we are doing on the WLA Campus cannot be completed without Veteran input and public trust.

As reflected in VA's August 2017 report to Congress, three (3) lease agreements have so far been "carried out" under the Act, between September 29, 2017 and the present:

- A 10-year lease signed in November 2016 with Brentwood School, for the use of athletic facilities and other in-kind support and services benefitting Veterans (i.e., health and wellness, education, vocational, skills building, and peer activities), and monetary rent payments to VA;
- A 10-year lease in December 2016, with the Regents of the University of California (on behalf of the University of California, Los Angeles), for non-VA and VA-related activities at the baseball stadium, monetary rent payments to VA, and in-kind services benefitting Veterans and their families (i.e., a Veterans law clinic, a family resource and well-being center, and beautification services for the Campus); and
- A 50-year Enhanced-Use Lease signed in May 2017 with Veterans Housing Partnership, LLC, for 55 units of permanent supportive housing and related services for Veterans and their families (i.e., job and computer training, transportation, meals, and life skills) in Building 209, and monetary rent payments to VA.

The August 2017 report also details VA's plans to execute an Enhanced-Use Lease with a Selected Developer, for approximately 100 units of permanent supportive housing and related services for chronically homeless Veterans, in Buildings 205 & 208. In conjunction with VA's ongoing master planning process, VA is currently targeting for that agreement to be executed in the second quarter of 2018.

The revenue generated for VA under those agreements continues to be deposited into VA Greater Los Angeles Healthcare System's medical facilities account as the Act requires, and will be used exclusively to improve the WLA Campus through renovation and maintenance. Details regarding how those funds will be specifically used at the Campus are in development, as part of VA's ongoing master planning process. Also included in this process, VA is working to complete required environmental and historic preservation due diligence, via a Programmatic Environmental Impact Statement (PEIS), which is currently targeted for completion in June 2019. That study along with VA's annual budget process, will also help inform how VA can most effectively utilize rent proceeds, to restore and maintain the Campus.

The August 2017 report includes reference to annual audits, which are required within the lease obligations between VA and Brentwood School and VA and the Regents of the University of California (on behalf of the University of California, Los Angeles). These audits will serve to evaluate the lessees' ability to meet all obligations defined within the lease. Upon completion of the annual audits, VA will release to the public.

As you noted, certain other agreements referenced in your October 9, 2017 letter, were not included in VA's August 2017 Annual Report. That is because they are neither leases nor sharing agreements "carried out" pursuant to and thus reportable under the Act. In that regard, we note the following as to those agreements:

- The January 2017 agreement between VA and Westside Services (which involved a subtenant Tumbleweed Transportation) was a Termination Agreement, where Westside Services and its subtenants will fully vacate the campus by January 2018.
- The September 2016 agreement between VA and the City, for operation of Veterans Barrington Park through September 2019, is a Revocable License.
- The August 1995 agreement between VA and New Directions for operation of a VA Grant & Per Diem program in Building 116 through August 2045, was executed 26 years before the West LA Leasing Act of 2016, and was done under a completely different statutory authority (i.e., Public Law 102-590).
- The September 2016 agreement between VA and Red Cross for their district headquarters operation was a Revocable License, and allows for Red Cross to vacate the campus when the agreement expires in December 2018.
- The two (2) oil & gas leases the United States executed with Breitburn Operating, LP (Breitburn) is a Federal lease executed under the auspices of the U.S. Department of Interior's Bureau of Land Management (BLM). They are not VA Leases, and were not executed under the Act. They were initially executed in the 1960's. This past year, VA worked with

Breitburn and BLM to have amendments executed for those leases, to have Breitburn relocate staging areas away from the VA National Cemetery Administration's planned Columbarium Expansion Project at the Campus, and to have oil & gas revenues donated from Breitburn to the Disabled American Veterans (DAV), for DAV to establish a new Veteran transportation program, benefitting Veterans on and around the Campus.

- The numerous other short term Revocable Licenses that VA grants at the West Los Angeles Campus, for Veteran-related events, barbeques, meetings, conferences, etc. are not issued pursuant to the Act.

VA continues to prioritize transparency, evidenced by our dissemination of WLA Campus agreements information during Town Halls and Community Events, on VA's Draft Master Plan website, and during the VA and Vets Advocacy's reoccurring Partnership Meetings. We also maintain a centralized mailbox for all inquiries related to the Draft Master Plan at VHAGLAMasterPlan@va.gov.

As it relates to VA and Vets Advocacy's ongoing engagement, we have created a platform for information transfer, which includes the WLA Campus agreements mentioned in your October 9, 2017 letter. More specifically, our Teams formally convened, along with participation from the Los Angeles Region Community Veterans Engagement Board (LAR-CVEB), Congressional Offices, and other stakeholders in June, July, September, and October, with our next meeting scheduled for November 2, 2017. VA appreciates this partnership and intends for these meetings to enhance our dialogue and the transfer of information and knowledge to the Veteran community. We would welcome additional recommendations as to how transparency can be further maintained.

VA truly appreciates your continued support and partnership in the ongoing effort to revitalize the Campus, as envisioned in the January 2015 Draft Master Plan. Although significant process has been made, there is still more work to be done. We remain confident that through the continued collaboration of our two organizations, as well as other stakeholders, the vision for the Campus will become a positive reality for Veterans of the greater Los Angeles area, and their families.

Sincerely,



Ann R. Brown, FACHE
Director
Greater Los Angeles Healthcare System