

# EXHIBIT 2

# **DEPARTMENT OF VETERANS AFFAIRS**



## **Congressionally Mandated Report: West Los Angeles Leasing Act of 2016**

**2024**

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## **I. Introduction**

The purpose of this Congressionally Mandated Report (CMR) is to comply with the West Los Angeles Leasing Act of 2016, P. L. 114-226, September 29, 2016, (WLA Act) requirement that the Secretary “submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives, the Committees on Appropriations of the Senate and House of Representatives, and each Member of the Senate and the House of Representatives who represents the area in which the Campus is located an annual report evaluating all leases and land-sharing agreements carried out at the Campus.”

Under the WLA Act, “Leases” are: (1) “[a]ny enhanced-use lease of real property … for purposes of providing supportive housing;” (2) “[a]ny lease of real property for a term not to exceed 50 years to a third party to provide services that principally benefit Veterans and their families;” and (3) “[a] lease of real property for a term not to exceed 10 years to The Regents of the University of California.” Subsection (1) of WLA Act provides:

‘principally benefit veterans and their families,’ with respect to services provided by a person or entity under a lease of property or land-sharing agreement—

(1) means services—

(A) provided exclusively to veterans and their families;

or

(B) that are designed for the particular needs of veterans and their families, as opposed to the general public,

and any benefit of those services to the general public is distinct from the intended benefit to veterans and their families; and

(2) excludes services in which the only benefit to veterans and their families is the generation of revenue for the Department of Veterans Affairs.

As amended by the West Los Angeles VA Campus Improvement Act of 2021, P. L. 117-18, June 23, 2021 (WLAIA), this report must include “(A) an evaluation of the management of the revenue generated by the leases; (B) an assessment of— (i) the manner in which such revenue is expended; and (ii) the direct benefits such expenditures provide to Veterans; and (C) the records documenting the value of the additional services and support that The Regents provides.”

This report identifies all leases, enhanced-use leases (EULs), and related subleases during the September 29, 2023 through September 28, 2024 reporting period. There were no land-sharing agreements to report.

The submission of this report was deferred to allow new leadership under the current administration sufficient time to conduct a comprehensive review of VA’s obligations under the WLA Act and ensure the report reflects accurate and complete information. This approach was taken to uphold the integrity of the report and to ensure alignment with current policy priorities and directives. VA seeks to not only meet legislative requirements but also provide Congress with information that is relevant to the leases identified in this report, including the broader context of ongoing legal considerations that continue to inform VA’s perspective on the leases and land-sharing agreements carried out at the West LA campus.

## **II. WLA Act Agreements**

### **A. Leases**

#### **1. Brentwood School (BWS) Lease**

On November 4, 2016, BWS entered into a lease with VA for the continued use of its athletic facilities and fields located on approximately 22.06 acres of real property on the West LA Campus. Under this lease, BWS was required to pay VA annual rent of \$850,000 (which “shall increase by 2.5% on each third anniversary” of the lease term) and provide annual, in-kind consideration for the benefit of Veterans at BWS’s asserted value of \$918,000. BWS was also required to provide in-kind consideration such as maintaining and upkeep the property and operating the Veterans Center for Recreation and Education on the property, to provide Veterans with access to the athletic facilities and fields, including the track, tennis courts, pavilion, swimming pool, weight room, football, softball, baseball, and soccer fields, as well as fitness facilitators and coaches from BWS. The lease provided for an initial term of ten years with an option to extend for an additional ten-year period.

##### **i. Revenue Generated from BWS Lease**

During this reporting period, BWS paid VA rent in the amount of \$74,419.27 per month for a total of \$893,021.24.

##### **ii. In-Kind Consideration Provided to Veterans from BWS Lease**

During this reporting period, BWS reported that it provided in-kind consideration benefits to Veterans valued at \$1,843,606. VA can neither confirm nor substantiate whether the benefits claimed by BWS were in fact provided to Veterans and if the estimated value of the claimed benefits is accurate.

##### **iii. Expenditure of BWS Lease Revenue and Benefits Provided to Veterans**

VA pooled the revenue from the BWS lease into an account with other revenue collected during this reporting period along with the uncommitted revenues from prior reporting periods. All expended revenue was spent on housing-related projects that benefit homeless and at-risk Veterans, as provided in detail in Section III below.

#### **2. Regents of the University of California (UCLA) Lease**

On December 23, 2016, UCLA entered into a lease with VA for use of 10.09 acres on the West LA Campus. A first amendment dated April 3, 2017 was executed to confirm the site area with a new survey (as required under the lease). A second amendment dated December 10, 2020 was executed approving the practice field concept and removing VA’s obligation to provide up to 500 parking spaces for overflow parking. The property consists of the Jackie Robinson baseball stadium complex, which includes parking for approximately 200 vehicles. Under the lease, UCLA was required to pay VA annual rent of \$300,000 in monthly installments of \$25,000 adjusted upwardly for inflation at a fixed rate of 1% every year. The lease also required UCLA to provide additional services and support for the principal benefit of Veterans and their families at UCLA’s asserted value of \$4,000,000 over

the duration of the ten-year lease; a Family Resource & Well-Being Center and a Mental Health & Addictions Center at a combined value of \$7,500,000 over the ten-year lease term; and other in-kind services for the principal benefit of Veterans and their families with a value of \$2,000,000 over the ten-year lease term. The lease provided for an initial term of ten years with an option to enter into a new lease for ten years.

**i. Revenue Generated from UCLA Lease**

During this reporting period, UCLA paid VA rent in the amount of \$26,538 per month from October 2023 through December 2023 and the amount of \$26,803.38 per month from January 2024 through September 2024 for a total of \$320,844.42.

**ii. Additional Services and Support Provided to Veterans from the UCLA Lease**

During this reporting period, UCLA reported that it provided additional services and support to Veterans valued at \$2,946,913. VA can neither confirm nor substantiate if the benefits claimed by UCLA were in fact provided to Veterans and if the estimated value of the claimed benefits is accurate.

**iii. Expenditure of UCLA Lease Revenue and Additional Services and Support Provided to Veterans**

VA pooled the revenue from the UCLA lease into an account with other revenue collected during this reporting period along with the uncommitted revenues from prior reporting periods. All expended revenue was spent on housing-related projects that benefit homeless and at-risk Veterans, as provided in detail in Section III below.

The WLA Act specifically requires VA to submit records documenting the value of additional services and support that the Regents of UCLA provide. Those records, which were prepared by Regents of UCLA, are attached to this report as Exhibit A.

**3. SafetyPark Corporation (SafetyPark) Lease**

On June 1, 2019, VA entered into a lease with SafetyPark to maintain and operate two parking lots located on approximately 3.86 acres of real property within the north and south lots of the West LA Campus. Together, the lots total approximately 450 parking spaces (also known as the “Barrington Parking Lots”). The lease required SafetyPark to pay an “annual rent payment of \$0.00 to VA for Lessee’s use of the Property.” In lieu of rent, SafetyPark was required to “remit the Gross Receipts less Operating Expenses (‘Net Parking Revenues’) to VA” each month. The lease also required SafetyPark to provide services that principally benefit Veterans and their families. The initial term was for one year with nine one-year extension options.

**i. Revenue Generated from SafetyPark Lease**

During this reporting period, SafetyPark paid VA \$505,485.18 in revenue, as follows:

Period	Gross Receipts	Operating Expenses	Net Parking Revenues	Paid to VA
October-2023	\$72,728.71	(\$30,648.97)	\$42,079.74	\$42,079.74
November-2023	\$65,250.25	(\$30,017.28)	\$35,232.97	\$35,232.97
December-2023	\$60,306.19	(\$29,037.67)	\$31,268.52	\$31,268.52
January-2024	\$74,588.02	(\$32,099.59)	\$42,488.43	\$42,488.43
February-2024	\$66,260.70	(\$32,603.28)	\$33,657.42	\$33,657.42
March-2024	\$69,909.77	(\$34,968.91)	\$34,940.86	\$34,940.86
April-2024	\$85,972.80	(\$33,044.78)	\$52,928.02	\$52,928.02
May-2024	\$89,278.19	(\$34,496.22)	\$54,781.97	\$54,781.97
June-2024	\$78,854.25	(\$35,165.54)	\$43,688.71	\$43,688.71
July-2024	\$78,107.45	(\$34,928.25)	\$43,179.20	\$43,179.20
August-2024	\$76,755.29	(\$34,803.34)	\$41,951.95	\$41,951.95
September-2024	\$83,181.55	(\$33,894.16)	\$49,287.39	\$49,287.39
<b>Total</b>	<b>\$901,193.17</b>	<b>(\$395,707.99)</b>	<b>\$505,485.18</b>	<b>\$505,485.18</b>

## ii. Additional Services Provided to Veterans from SafetyPark Lease

The lease required SafetyPark to provide additional services and support that principally benefitted Veterans and their families, more specifically:

- Employ Veterans for no less than 85% of the staffing requirements for VA Barrington Parking Lots;
- To the extent practicable, make best efforts to hire Veterans on a priority basis for the Lessee's workforce;
- Implement and manage a program for Veteran customer service training;
- Implement and manage a program for Veterans to obtain discounts on goods and services from Brentwood Village business establishments;
- Implement and manage a program to generate employment opportunities for Veterans with Brentwood Village business establishments; and
- Implement and manage a program to provide supportive services for Veterans employed for the Parking Management Services that are consistent with VA's objectives for the West LA Campus.

An audit was completed in October 2024 for the lease year period ending on May 31, 2024. The Veteran staffing was examined and fell slightly below the 85% requirement. VA cannot confirm if any of the other above-required services were provided to Veterans, or the extent thereof, because those services were not addressed in the audit.

**iii. Expenditure of SafetyPark Lease Revenue and Additional Services Provided to Veterans**

VA pooled the revenue from the SafetyPark lease into an account with other revenue collected during this reporting period along with the uncommitted revenues from prior reporting periods. All expended revenue was spent on housing-related projects that benefit homeless and at-risk Veterans, as provided in detail in Section III below.

**4. Wadsworth Chapel Heritage Partners (Wadsworth Chapel) Lease**

On November 30, 2020, VA entered into a lease with Wadsworth Chapel Heritage Partners to renovate, restore, maintain, and operate the Wadsworth Chapel, a 5,350 square foot structure built on the West LA Campus in 1900 and the surrounding Chapel Site, which totals around 40,000 square feet. The building is in poor condition, is not currently habitable, and has not yet been renovated. Under Article 2, Section B.2, the lessee is required to:

- a. Commence in earnest comprehensive fundraising or other activities to secure funding for the Project no later than thirty (30) days after the effective date of the Lease;
- b. Finalize design efforts no later than two (2) years after the effective date of the Lease;
- c. Obtain all required approvals no later than three (3) years after the effective date of the Lease;
- d. Commence construction activities no later than three (3) years after the effective date of the Lease.

In addition, Article 2, Section B.2 states: "If there are delays in meeting the deadlines as to any of the items in the above timeline and such delay is the result of circumstances that are beyond the Lessee's control, the Lessee shall notify the VA of the delay and provide a plan to the VA on how the Lessee will address the delay and a revised timeline to accomplish the plan. The Parties agree that they will work collaboratively in good faith to address the delay and to mitigate its effects on completion of the Project."

The lessee has commenced efforts to secure funding but has not yet been able to obtain the necessary funds to advance the project. Progress on design efforts, approvals, and construction commencement has not met the timeline set forth in Article 2, Section B.2.

The lease does not require Wadsworth Chapel Heritage Partners to pay VA rent. The initial term of the lease is for twenty years with three additional ten-year extension options to extend the lease term.

**5. New Directions, Inc. (New Directions) Lease**

On August 29, 1995, VA entered into a lease with New Directions to use and operate Building 116 and the surrounding property (totaling 50,431 square feet) to provide transitional and permanent housing and comprehensive support services for homeless Veterans with chronic substance abuse problems. During this reporting period, 120 beds were available daily for four months, and 85 beds were available on a daily basis for eight months (the decrease was due to lessee's building renovation project). The average number of beds available on a daily basis during the reporting period was 97

beds, and the average number of beds available on daily basis which were occupied during the reporting period was 70 beds (72% occupancy rate). As such, Veterans benefited from this lease.

The lease does not require New Directions to pay VA rent. The initial term of the lease is fifty years.

## **B. EUL Agreements**

During this reporting period, there were seven (7) long-term, EUL agreements and five (5) subleases in place with private sector developers who finance, construct, and operate property management of housing units for homeless and at-risk Veterans on the West LA Campus; all 12 (twelve) agreements are described in more detail as follows:

- 1. Veterans Housing Partnership, LLC EUL.** On May 18, 2017, VA entered into an EUL with the Veterans Housing Partnership, LLC for the renovation, maintenance, and operation of Building 209 on approximately two acres of land on the West LA Campus for the purpose of providing supportive housing to eligible Veterans and their families. Building 209 provides not less than 55 permanent housing units consisting of 32 studios, 22 one-bedrooms, and 1 resident manager unit. Building 209 became operational in June 2017 and began housing Veterans shortly thereafter. On May 26, 2022, the EUL was amended and restated to allow Veterans Housing Partnership LLC to secure financing for additional rehabilitation work. VA agreed to eliminate the requirement for Veterans Housing Partnership, LLC to pay annual base rent, subject to its compliance with the updated covenants, conditions, and restrictions and its agreement to pay monthly association fees supporting shared services and common area expenses on the North Campus. This EUL benefits Veterans by providing permanent housing for Veterans along with integrated services.
- 2. VA Building 207 LP EUL.** On October 29, 2020, VA entered into an EUL with VA Building 207 LP to renovate, maintain, and operate Building 207 on approximately 1.45 acres of land on the West LA Campus for the purpose of providing supportive housing to eligible Veterans and their families. Building 207 provides not less than 60 housing units consisting of 53 studios, 6 one-bedrooms, and 1 resident manager unit. Building 207 became operational in February 2023 and began housing Veterans shortly thereafter. This EUL benefits Veterans by providing permanent housing for Veterans along with integrated services.
- 3. Building 205 Holdings, LLC EUL.** On December 2, 2019, VA entered into an EUL with Building 205 Holdings, LLC for the renovation, maintenance, and operation of Building 205 on approximately two acres of land on the West LA Campus for the purpose of providing supportive housing to eligible Veterans and their families. Building 205 provides not less than 68 total units consisting of 32 studios and 36 one-bedrooms, one of which is a resident manager unit. After years of renovation, Building 205 became operational and began housing Veterans in June 2023. This EUL benefits Veterans by providing permanent housing for Veterans along with integrated services.
- 4. Building 208 Holdings, LLC EUL.** On December 2, 2019, VA entered into an EUL with Building 208 Holdings, LLC for the renovation, maintenance, and operation of Building 208 on approximately two acres of land on the West LA Campus for the purpose of providing supportive housing to eligible Veterans and their families. Building 208 provides not less than 54 total units consisting of 26 studios and 28 one-bedrooms, one of which is a resident manager unit. After years of renovations, Building 208 became operational and began housing

Veterans in May 2023. This EUL benefits Veterans by providing permanent housing for Veterans along with integrated services.

5. **West LA Veterans Collective LLC EUL.** On June 29, 2022, VA entered into a Principal Developer (PD) EUL with the West LA Veterans Collective LLC (WLAVC), which is comprised of Century Housing Corp., U.S. VETS, and Thomas Safran & Associates, to finance, design, develop, construct, manage, and operate at least 900 units of supportive housing for homeless and at-risk Veterans on the West LA Campus. The PD executed five (5) subleases with private sector developers who finance, construct, and operate property management of permanent supportive housing. This EUL benefits Veterans by providing permanent housing for Veterans along with integrated services.
  - i. **Century WLAVA 1 LP Sublease.** On November 1, 2022, the Principal Developer (WLAVC) entered into a sublease agreement with Century WLAVA 1 LP to develop, construct, and manage Building 404 on approximately 2.72 acres of land on the West LA Campus. Building 404 includes a total of 73 units, consisting of 67 studios, 5 one-bedrooms, and 1 resident manager unit. Building 404 became operational in January 2025 and began housing Veterans shortly thereafter. This EUL sublease benefits Veterans by providing permanent housing for Veterans along with integrated services.
  - ii. **VA Building 402 LP Sublease.** On January 1, 2023, the Principal Developer (WLAVC) entered into a sublease agreement with VA Building 402 LP to develop, construct, and manage Building 402 on approximately 3.00 acres of land on the West LA Campus. Building 402 includes a total of 120 units, consisting of 107 studio units, 11 two-bedroom units, and 2 resident manager units. Building 402 became operational in March 2025 and began housing Veterans shortly thereafter. This EUL sublease benefits Veterans by providing permanent housing for Veterans along with integrated services.
  - iii. **Century WLAVA 2 LP Sublease.** On June 1, 2023, the Principal Developer (WLAVC) entered into a sublease agreement with Century WLAVA 2 LP to develop, construct, and manage Buildings 156 and 157 on approximately 3.25 acres of land on the West LA Campus. Buildings 156 and 157 include a total of 112 units, consisting of 96 studios, 14 one-bedrooms, and 2 resident manager units. This EUL sublease will benefit Veterans by providing permanent housing for Veterans along with integrated services.
  - iv. **Century WLAVA 3 LP Sublease.** On November 14, 2023, the Principal Developer (WLAVC) entered into a sublease with Century WLAVA 3 LP VA to develop, construct, and manage Building 158 on approximately 1.5 acres of land on the West LA Campus. Building 158 includes a total of 49 units, consisting of 48 one-bedroom units and 1 resident manager unit. This EUL sublease will benefit Veterans by providing permanent housing for Veterans along with integrated services.
  - v. **WLAVA Building 210 LP Sublease.** On August 5, 2024, the Principal Developer (WLAVC) entered into a sublease with WLAVA Building 210 LP to develop, construct, and manage Building 210 on the West LA Campus. Building 210 includes a total of 38 units, consisting of 30 one-bedroom units, 7 studio units, and 1 resident manager unit. This EUL sublease will benefit Veterans by providing housing for Veterans along with integrated services.
6. **MacArthur A, LP EUL.** On December 2, 2022, VA entered into an EUL with MacArthur A, LP to develop, construct and manage Building 401-A on approximately 2.72 acres of land on the West LA Campus, MacArthur Field for the purpose of providing supportive housing to

eligible Veterans and their families. Building 401-A includes 74 one-bedroom units and 1 resident manager unit. Building 401-A was completed and became operational in September 2024 and began housing Veterans shortly thereafter. This EUL benefits Veterans by providing permanent housing for Veterans along with integrated services.

7. **MacArthur B, LP EUL.** On November 8, 2023, VA entered into an EUL with MacArthur B, LP to develop, construct, and manage Building 401-B on approximately 2.81 acres of land on the West LA Campus, MacArthur Field for the purpose of providing supportive housing to eligible Veterans and their families. Building 401-B will consist of 74 one-bedroom units and 1 resident manager unit. This EUL will benefit Veterans by providing permanent housing for Veterans along with integrated services.

The EULs do not require each lessee to pay VA rent. Consequently, VA did not receive any revenue from any of the EULs during this reporting period. Because all EULs and subleases are for supportive Veteran housing on the West LA Campus, they are for the benefit of Veterans and their families.

### **III. Expenditures for Benefit of Veterans**

During the reporting period, expenditures utilizing the revenues were used for five (5) projects at a total cost of \$4,399,972, summarized in the following table:

<b>Projects</b>	<b>Cost</b>
Administrative Trailer Project	\$264,893.00
Fire Alarms Project	\$1,135,125.00
Emergency Call Boxes Project	\$1,443,125.00
Perimeter Security Fencing Project	\$146,037.00
Paving Project	\$1,410,792.00
<b>Total Expenditures</b>	<b>\$4,399,972.00</b>

Additional details for each of the five projects are as follows:

1. **Administrative Trailer Project.** This project involved the expenditure of \$264,893 to support the daily management, oversight, and operations of a temporary housing facility for Veterans located on the West LA Campus.
2. **Fire Alarms Project.** This project involved the expenditure of \$1,135,125 for fire alarms for the "Tiny Shelter" units currently being used as temporary housing for homeless Veterans on the West LA Campus. The purpose of this project is to enhance safety for Veterans and maintain compliance with county fire department regulations.
3. **Emergency Call Boxes Project.** This project involved the expenditure of \$1,443,125 for "blue-light" security stations on the West LA Campus. This network provides protection to Veteran residents with direct access to campus security offering protection 24 hours a day, 7 days a week. The purpose of this project is to increase the safety and welfare of Veteran residents on campus and also provide a network across the campus in case of an emergency, which helps resolve an existing communication void. The project covers the non-EUL portion

of the campus, with the EUL portion of the campus using a different funding source.

4. **Perimeter Security Fencing Project.** This project involved the expenditure of \$146,037 for the installation of perimeter security fencing and related access gates for a temporary housing facility occupied by Veterans. This purpose of this project is to enhance Veteran safety, secure the perimeter, and reduce the number of required security personnel needed to keep the West LA Campus safe.
5. **Paving Project.** This project involved the expenditure of \$1,410,792 for an existing access road that has deteriorated as well as a new paving area to expand a temporary housing facility for Veterans located on West LA Campus. The road was not originally designed and constructed to accommodate the current volume of vehicle activity and consequently, road conditions deteriorated. The purpose of this project is for site access to the temporary housing facility for daily operations and emergency vehicle access supporting the Veteran residents.

#### **IV. Related Reports and Litigation**

In September 2018, the VA Office of Inspector General (OIG) published its first audit report required under Section (2)(j)(3) of the WLA Act. The 2018 OIG audit covered all land use agreements on the West LA Campus, not just the leases and land-sharing agreements on which VA is required to report under Section (2)(j)(2). With respect to the agreements VA is required to report in its 2024 report, OIG found the BWS lease to be non-compliant with the law:

- OIG determined that the BWS lease violates the WLA Act because the principal purpose of this lease is to provide the BWS continued use of the athletic facilities.
- 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 outlease agreements. 38 U.S.C. § 8122(a)(1) permits non-profit organizations like the BWS to make in-kind consideration related to the maintenance, protection, and restoration to the property leased. However, the in-kind consideration the BWS allegedly provides includes maintenance of upgraded landscaping or physical structures installed by the school and other costs related to operation of the athletic facilities, which are not allowed under federal law.

*VA OIG, VA's Management of Land Use Under the West Los Angeles Leasing Act of 2016, Report No. 18-00474-300, September 28, 2018.*

In September 2021, pursuant to section (2)(j)(3) of the WLA Act, OIG published its follow-up audit report. Similar to the 2018 OIG audit, the 2021 OIG audit covered all land use agreements on the West LA Campus, not just the leases and land-sharing agreements on which VA is required to report under section (2)(j)(2). With respect to the agreements VA is required to report in its 2024 report, OIG found the BWS and SafetyPark leases to be non-compliant with the law:

- OIG determined that the BWS lease violates the WLA Act because the purpose is not to principally benefit Veterans and their families; rather, the principal purpose of this lease is to provide the BWS continued use of the athletic facilities.
- OIG also found that VA's acceptance of non-monetary, in-kind consideration is not

authorized under the law, which requires VA to accept only monetary consideration for the leasing of buildings or property of the federal government. Legally, nonprofit organizations like the BWS can provide in-kind consideration related to the maintenance, protection, and restoration of leased property. However, the in-kind consideration the BWS allegedly provides includes more than allowable maintenance of landscaping of the leased property. Other in-kind consideration costs such as additional staffing and Veteran special events are not allowed under federal law.

- OIG determined the SafetyPark agreement is noncompliant because its primary purpose is to provide parking to the public, not to principally benefit Veterans.

VA OIG, *VA's Management of Land Use Under the West Los Angeles Leasing Act of 2016: 5-Year Report*, Report No. 2020-03407-253, September 29, 2021.

Note that the Section (2)(h)(1) of the WLA Act provides,

[i]f the Inspector General of the Department of Veterans Affairs determines, as part of an audit report or evaluation conducted by the Inspector General, that the Department is not in compliance with all Federal laws relating to leases and land use at the Campus, or that significant mismanagement has occurred with respect to leases or land use at the Campus, the Secretary may not enter into any lease or land-sharing agreement at the Campus, or renew any such lease or land-sharing agreement that is not in compliance with such laws, until the Secretary certifies to the Committees on Veterans' Affairs of the Senate and House of Representatives, the Committees on Appropriations of the Senate and House of Representatives, and each Member of the Senate and the House of Representatives who represents the area in which the Campus is located that all recommendations included in the audit report or evaluation have been implemented.

Public Law 114-226, September 29, 2016.

VA previously declined to concur with OIG's findings with respect to the aforementioned non-compliant land use agreements and OIG's related recommendations related to them. However, recent developments, as explained below, may alter or inform VA's legal interpretation and/or ability to implement OIG's recommendations regarding the aforementioned, non-compliant land use agreements.

On September 6, 2024, the United States District Court for the Central District of California issued a post-trial opinion in *Powers, et al. v. McDonough, et al.*, 748 F. Supp. 3d 842 (C.D. Cal. 2024), as amended on October 11, 2024, that invalidated VA's agreements with the BWS, SafetyPark, and UCLA. Specifically, the U.S. District Court held that "Plaintiffs are entitled to injunctive relief in the form of additional housing at the [West LA Campus] and termination of the illegal land-use agreements" based on the following findings of fact:

U.S. District Court's findings of fact regarding the BWS lease:

- The BWS athletic facilities were not designed for the particular needs of Veterans and their families, and Veterans can only access the facilities during limited hours when students are not using them. Most of the facilities are open to Veterans early in the morning and late in the

evening.

- For example, on Mondays, Wednesdays, and Fridays, Veterans may use the pool from 5:30 a.m. to 7:30 a.m., and, on the weekends from 11 a.m. to 3 p.m. Veterans may use the track every weekday from 5 a.m. to 11 a.m. The BWS operates a shuttle to transport Veterans from other areas of the West LA VA Grounds to the athletic facilities, but the shuttle operates from 9 a.m. to 2 p.m. and thus does not align with the hours that Veterans may use the facilities.
- BWS counts 51% of its estimated routine upkeep costs for its 22-acre athletic complex (including landscaping, maintenance, utilities costs, etc.) toward its in-kind consideration to the VA. This percentage does not reflect how many students versus Veterans use the athletic facilities.

U.S. District Court's findings of fact regarding the SafetyPark lease:

- The primary purpose of the SafetyPark lease is "access to Barrington Village businesses," and "does not principally benefit Veterans and their families."
- Despite promising to do so in its lease, SafetyPark does not operate a program providing discounts for Veterans at the Brentwood shops, or a program providing Veteran employment opportunities at Barrington Village businesses, nor does it provide supportive services for Veterans employed by Parking Management Services.

U.S. District Court's findings of fact regarding the UCLA lease:

- The predominant focus of UCLA's activities on the WLA Campus is its National Collegiate Athletic Association (NCAA) baseball program, not services to Veterans.
- UCLA's Veterans Legal Clinic did not offer consistent office hours and had accessibility barriers, with "no clear marked path or a door that was marked as handicap accessible."
- UCLA refused to make the parking lot adjacent to its practice infield available for emergency housing in the midst of the pandemic, countering that sheltering unhoused Veterans would interfere with the UCLA home game schedule.

Presently, the *Powers* case is on appeal at the U.S. Court of Appeals for the Ninth Circuit. While VA awaits the U.S. Court of Appeals for the Ninth Circuit's final decision, VA recognizes its ongoing responsibility to act in a manner consistent with its core mission to serve the best interests of Veterans and their families. This responsibility was amplified on May 9, 2025, when the President of the United States signed Executive Order (EO) 14296, *Keeping Promises to Veterans and Establishing a National Center for Warrior Independence*, 90 Fed. Reg. 20369 (May 14, 2025). The EO is aimed at making "[t]he VA campus in West Los Angeles . . . the National Center for Warrior Independence with facilities and resources to help our Veterans earn back their self-sufficiency," which includes restoring "the capacity to house up to 6,000 homeless Veterans at the National Center for Warrior Independence by January 1, 2028." 90 Fed. Reg. 20369.

Accordingly, and without prejudice to the outcome of the pending litigation, VA is undertaking a comprehensive review and reassessment of the existing land-use agreements found non-compliant by the 2018 OIG audit report, the 2021 OIG audit report, and the 2024 U.S. District Court opinion. VA is prepared to exercise its authority to take all appropriate actions, including the termination of lease agreements and any other available legal remedies, where such agreements are determined to be

inconsistent with the WLA Act and other applicable federal laws and regulations.

At a minimum, VA's ongoing comprehensive review and reassessment has disclosed that the leases invalidated by the U.S. District Court in *Powers* may well fail to comply with the WLA Act by failing to principally benefit Veterans and their families or, in UCLA's case, by failing to provide services to Veterans as the predominant focus of UCLA's overall activities on Campus during the lease. Further, VA's ongoing, deliberative review and reassessment has also disclosed, among other things, that VA is not deriving fair market value from the BWS, UCLA, and SafetyPark leaseholds.<sup>1</sup> VA's preliminary findings are based on highest and best use considerations of the leaseholds and a review of relevant land sale and ground lease data. Such considerations and review have preliminarily determined the following fair market value annual rents for the land: \$30,269,500 for the land presently leased by BWS, \$12,306,500 for the land presently leased by UCLA, and \$5,885,000 for the land presently leased by SafetyPark. The combined total of these fair market value rents is \$48,461,000. Yet, as of September 2024, VA received a combined total of \$1,719,360.84 in annual rent from the lessees.

Additionally, through VA's deliberative process and pursuant to VA's obligations under EO 14296, VA has created preliminary renderings of how VA proposes to increase the availability of supportive housing units at the WLA Campus, attached to this report as Exhibit B. As the proposed renderings demonstrate, the first phase of VA's plan is for up to approximately 2,000 beds on the WLA Campus, and the future phases of VA's plan are for up to approximately 6,000 beds. Based on the land available at the WLA Campus, VA has initially determined that certain properties (highlighted in blue and purple) may be necessary to provide sufficient supportive housing for up to "6,000 homeless Veterans at the National Center for Warrior Independence" as EO 14296 directs. 90 Fed. Reg. 20369. The renderings may also be used to inform future revisions and/or as input to the WLA Master Plan of 2022, which builds on the WLA Draft Master Plan of 2016.

Note that Section (2)(g) of the WLA Act provides that the "Secretary 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." Public Law 114-226, September 29, 2016. Section (2)(b)(3)(A) of the WLA Act further provides that the Secretary may carry out a "lease of real property for a term not to exceed 10 years to The Regents of the University of California, a corporation organized under the laws of the State of California, on behalf of its University of California, Los Angeles (UCLA) campus if . . . the lease is consistent with the master plan described in subsection (g)." Public Law 114-226, September 29, 2016.

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<sup>1</sup> This is despite the fact that BWS acknowledged that the WLA Act provides "[t]he Secretary 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, which again, **expressly envisioned a lease with Brentwood School that provided for a combination of fair market rents** and in-kind consideration through veteran services, including the use of the existing athletic facilities on the 22 acres of the WLA Campus leased by Brentwood School." BWS Opening Brief at 6, *Powers v. Brentwood School*, No. 24-6888, Dkt. No. 19, (9th Cir. Jan. 17, 2025) (internal quotes omitted) (emphasis added).

## **Conclusion**

As provided in the prior 2023 report, there were uncommitted revenues totaling \$5,533,959.03. Combined with the revenues and expenditures for this reporting period, the balance of uncommitted revenue at the end of this reporting period is \$2,853,347.87, as summarized in the table below. These uncommitted revenues carry forward to the next reporting period and can be used for future reinvestment on the West LA Campus to principally benefit Veterans and their families.

<b>Description</b>	<b>Amount</b>
Uncommitted Revenues at Beginning of Reporting Period	\$5,533,959.03
Total Revenue Collected this Reporting Period	\$1,719,360.84
Expenditures this Reporting Period	\$4,399,972.00
Uncommitted Revenues at End of Reporting Period	\$2,853,347.87

**EXHIBIT A**

Regents University of California (UCLA) Submittal<sup>2</sup>

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<sup>2</sup> Other than the Annual Rent Received, VA can neither confirm nor substantiate whether the information provided by UCLA in Exhibit A is accurate.

**UCLA LEASE – CONGRESSIONALLY MANDATED REPORT 2024 DATA CALL**  
**REPORTING PERIOD 09/29/2023 THROUGH 09/28/2024**

This is a data call to provide information for VA's Congressionally Mandated Report (CMR) for the period of September 29, 2023, through September 28, 2024. Please populate the below table or provide your accounting records in these categories for the amounts representing the financial and in-kind considerations associated with the Lease. If there is additional data on Veteran benefits provided as part of the Lease that you would like included in the CMR 2024, please feel free to add additional rows to this table.

INFORMATION REQUEST	RESPONSE	NOTES
Annual Rent Received	\$320,844	Including anticipated rent from 7/2024 – 9/2024
Consideration Contributed to Establish & Operate a UCLA School of Law Veterans Legal Clinic on GLAHS-WLA campus	\$730,102	Oct 2023-June 2024: Actuals Jul 2024-Sep 2024: Projected
Consideration Contributed to Design & Implement a UCLA/VA Veteran Family Wellness Center on GLAHS-WLA campus	\$693,166	Oct 2023-June 2024: Actuals Jul 2024-Sep 2024: Projected
Consideration Contributed to Design & Implement a VA UCLA Center of Excellence for Training and Research in Veteran Homelessness, Substance Abuse, Mental Illness and Recovery on GLAHS-WLA campus	\$447,143	Oct 2023-June 2024: Actuals Jul 2024-Sep 2024: Projected
<b>In-Kind Services (i.e.- Campus Beautification, Veteran Events, Veteran Education &amp; Training, etc.)</b>		
<b>Athletics:</b>  Events	<b>8 events</b>  <b>Total Value</b> <b>\$11,180</b>	10/5/2023 – Women's Soccer Game – Veteran Outing <ul style="list-style-type: none"> <li>Food &amp; Beverage = \$705.60</li> <li>Transportation = \$898.44</li> </ul> 11/12/2023 – Football Game – Veteran Outing <ul style="list-style-type: none"> <li>Bus transportation from VA campus to Rose Bowl Stadium: \$1,095.45</li> <li>Food &amp; Beverage Vouchers: 55 @ \$14.00 each = \$770.00</li> <li>Military theme hat 72 @ \$30.00 each = \$2,160.00</li> <li>ROTC Tailgate at the Rose Bowl Stadium</li> <li>CalVet Group at the Rose Bowl Stadium</li> </ul>

INFORMATION REQUEST	RESPONSE	NOTES
		<p>11/12/2023–Veteran of the Year Recognition at MFB vs. Arizona State          On-field recognition of 2023 VOY: Bryce McDonald</p> <ul style="list-style-type: none"> <li>• Trophy: \$173.00</li> <li>• United States shaped American flag presentation held by UCLA ROTC members + volunteers from local area Junior ROTC groups.</li> <li>• On-field recognition of UCLA Student Veterans from the Veteran Resource Center</li> </ul> <p>12/19/2023 – Men's Basketball Game – Veteran Outing</p> <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$931</li> <li>• Transportation = \$678</li> </ul> <p>1/26/2024 – Women's Basketball Game – Veteran Outing</p> <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$563</li> <li>• Bus transportation = \$578</li> </ul> <p>4/9/2024 – Softball Game – Veteran Outing</p> <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$489</li> <li>• Bus transportation = \$612</li> </ul> <p>4/27/2024 – Spring Football Game – Veteran Outing</p> <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$137</li> <li>• Bus transportation = \$898</li> </ul> <p>6/4/2024 – Kickball Outing on the Practice Infield</p> <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$489</li> </ul>
Number of UCLA Baseball Home Games for which UCLA has Provided Admission, at no cost, to Veterans	<b>Total Value \$7,098.00</b>	<p>1/27/2024 – Baseball Alumni Game</p> <ul style="list-style-type: none"> <li>• 2024 Season Schedule Magnets = \$118</li> </ul> <p>29 home baseball games</p> <p>Total 2024 Season Attendance – 698          Veterans @ \$10/each ticket = \$6,980</p>
Number of Free and Discounted Tickets for Veterans to attend UCLA Sporting Events. (Does not include baseball games)	<b>Number of Discounted Tickets – 230</b>	<p>Football – Total Value – \$427,825</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 5,441</li> <li>• Discounted Tickets – 34</li> </ul>

INFORMATION REQUEST	RESPONSE	NOTES
	<b>Number of Comp Tickets – 7,766</b> <b>Total Value \$456,565</b>	<p>Men's Basketball – Total Value – \$15,035</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 588</li> <li>• Discounted Tickets – 10</li> </ul> <p>Gymnastics – Total Value – \$3,544</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 225</li> <li>• Discounted Tickets – 18</li> </ul> <p>Softball – Total Value – \$1,360</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 80</li> <li>• Discounted Tickets – 8</li> </ul> <p>Soccer – Total Value – \$150.00</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 0</li> <li>• Discounted Tickets – 30</li> </ul> <p>W. Volleyball – Total Value – \$277</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 0</li> <li>• Discounted Tickets – 59</li> </ul> <p>W. Basketball – Total Value – \$8,374</p> <ul style="list-style-type: none"> <li>• Comp Tickets – 759</li> <li>• Discounted Tickets – 5</li> </ul> <p>NOTE: The average no cost or discounted ticket value is about \$58 each.</p>
UCLA Athletics Veteran Golf Clinic on West LA VA Campus Heroes Golf Course	<b>1 tournament - Total Value \$8,499</b>	<p>3/23/2024 – Golf Tournament</p> <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$2,264</li> <li>• (27) sleeves of Taylormade Golf Balls = \$225</li> <li>• Box of used golf balls for practice \$10.</li> </ul> <p>Donation of Ergs to the Hero's Golf Course</p> <ul style="list-style-type: none"> <li>• 10 Ergs @ \$600 each = \$6,000</li> </ul>
Number of Veterans Movie Nights at the Jackie Robinson Stadium or Tailgate/BBQs at the Jackie Robinson Stadium	<b>0 movie nights</b> <b>4 tailgates</b> <b>Total Value \$118</b>	<p>3/15/2024 – Baseball Tailgate w/ Brentwood School</p> <ul style="list-style-type: none"> <li>• Water &amp; Soda = \$118</li> </ul> <p>4/19/2024 – Baseball Tailgate w/ Brentwood School</p> <ul style="list-style-type: none"> <li>• F&amp;B donated by Brentwood School</li> </ul> <p>5/17/2024 – Baseball Tailgate w/ Brentwood School</p>

INFORMATION REQUEST	RESPONSE	NOTES
		<ul style="list-style-type: none"> <li>• F&amp;B donated by Brentwood School</li> </ul>
Number of "Jackie Robinson and Veterans Appreciation Days" Hosted for Veterans	<b>1 event</b> <b>Total Value – \$2,503</b>	4/15/2024 – Jackie Robinson Fantasy Camp <ul style="list-style-type: none"> <li>• Food &amp; Beverage = \$2,503</li> <li>• 63 participants</li> </ul>
<b>UCLA Recreation:</b>  - Number of Recreation Events A. Kayaking/Paddling B. Climbing Wall C. Ropes Course D. Transportation & Parking for events	A. 8 events at a total value of \$4510. B. 10 events at Total value of \$11,973. C. 2 events at a total value of \$3420. D. \$786	A. Kayaking & paddling at the UCLA Marina Aquatic Center with 75 participants B. Rock wall climbing at the UCLA Recreation center with 70 participants C. Challenge (ropes) Course at the UCLA Recreation North Center with 60 participants
<b>UCLA Recreation:</b>  Word Commando Writing Classes	24 classes for a total value of \$12,660.	Word Commando continues to meet virtually twice each month with an average attendance of 12 Veterans each month
<b>Veterans Legal Clinic</b>	<b>\$58,074</b>	The average of weekly in-kind hours devoted to the VLC were determined through consultation with individual staff members, and analysis of Outlook calendars. The salary and benefit rates were determined by payroll ledgers that identify each employee's current pay and benefit rates.
<b>Veteran Family Well Being Center</b>	<b>\$100,629</b>	The average of weekly in-kind hours devoted to the VFWC were determined through consultation with individual staff members, and analysis of Outlook calendars. The salary and benefit rates were determined by payroll ledgers that identify each employee's current pay and benefit rates.
<b>UCLA VA Center of Excellence for Training and Research in Veteran Homelessness, Substance Abuse, Mental Illness and Recovery</b>	<b>\$121,700</b>	The average of weekly in-kind hours devoted to the COE were determined through consultation with individual staff members,

INFORMATION REQUEST	RESPONSE	NOTES
		and analysis of Outlook calendars. The salary and benefit rates were determined by payroll ledgers that identify each employee's current pay and benefit rates.
<b>Meals Partnership Program</b>	<b>\$4,154</b>	Support of cookie boxes for the quarterly drive-through Pantry.
<b>VA Stand Down</b>	<b>\$1865</b>	Supported through purchase of water bottles and breakfast burritos.
<b>Veteran Education and Training</b>		
A. Success Academy (SA) and Alumni	A. 4 SA cohorts and 3 alumni events at a total value of \$29,011	A. Course for improving communications skills and job interview preparedness and skills. 4 SA cohorts with 56 Veterans participating in the course and additional training and networking for SA alumni with 12 participants.
B. Veteran Job Education & Training (VetJET)	B. \$35,259	B. Enrollment in UCLA Extension certificate programs at no cost to 14 Veterans.
C. Financial Literacy Classes	C. 2 courses at a total value of \$7,920	C. Training course provided by UCLA Extension
<b>Veterans Initiatives and Partnerships Staff</b>	<b>\$17,328</b>	<ul style="list-style-type: none"> <li>• Staff to support direct service to Veteran programs including mock interview sessions, etc.</li> <li>• Education Advancement counseling sessions for 40 Veterans</li> </ul>
<b>Entrepreneurship Bootcamp for Veterans – Summer 2024 UCLA Anderson School of Management</b>	<b>One cohort in summer at total value of \$181,250</b>	<ul style="list-style-type: none"> <li>• 25 Veterans attended program at no cost</li> </ul>
<b>Total Consideration Received</b>	<b>\$3,267,757</b>	
<b>Operation Mend – UCLA Health</b>		<ul style="list-style-type: none"> <li>• 230 Unique Veterans provided care</li> <li>• 398 Total Veterans provided services (Veterans can receive more than one episode of care)</li> </ul>

## EXHIBIT B

VA's Proposed Rendering for Future Phases of Construction of Supportive Housing Under  
EO 14296<sup>3</sup>

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<sup>3</sup> This is a proposed representation provided for illustrative purposes only and is subject to change.