

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0150-09912-0000

Date: February 4, 2013

To: The Honorable Members of the City Council

Attn: Information, Technology and Governmental Services Committee

From: Miguel A. Santana, Chair, Municipal Facilities Committee *MS*

Subject: **REQUEST FOR AUTHORIZATION TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH EL NIDO FOR OFFICE SPACE AT THE PACOIMA NEIGHBORHOOD CITY HALL AT 13520 VAN NUYS BLVD IN CD 7**

SUMMARY

On October 19, 2012, Council District 7 introduced an Alarcon/Koretz Motion (C.F. 12-1642) instructing the Department of General Services (GSD) to "negotiate and execute a lease with El Nido for a term of five years and in consideration of the valuable services they will continue to provide to Pacoima and the San Fernando Valley". The motion was referred and scheduled in the Information Technology and Governmental Services Committee (ITGS) and on November 26, 2012, the Chair directed our Office to submit a report for consideration prior to taking additional actions on the motion. Since that time, staff from the Office of the City Administrative Officer (CAO) has worked with the Council Office and GSD Real Estate Services to gather the necessary information from El Nido in order to do the appropriate community benefit and financial analysis consistent with the City's Proposed Non-Profit Leasing Policy.

The GSD prepared a report which was considered and approved at the January 31, 2012 meeting of the Municipal Facilities Committee (MFC) with additional instructions. The GSD report recommends that the lease be provided at \$1 a year in consideration of the services that are provided by El Nido. However, because the report does not adequately quantify, analyze or reference the appropriate community benefit or financial justification in exchange for the \$1 a year lease, the MFC provided instructions to its staff to prepare the analysis under separate cover and to present its report along with the GSD report for consideration by ITGS.

Background

Pacoima Neighborhood City Hall - The Pacoima Neighborhood City Hall (NCH), located in Council District 7, was completed in 2011 at a cost of \$19 million. At the time of construction, it was intended that this two story 12,700 square foot structure would house decentralized City services and serve as a local one-stop location for local residents. However, as a result of the downturn in the economy in 2009 and attrition and downsizing of the City's workforce, the previous strategy to house City functions and provide services from the City Hall has changed. In addition, a Request For Proposals, released by the GSD Real Estate Services to identify retailers to occupy the 2,370 square foot retail component of the facility did not receive any responses from local retailers. Over the last two years, Council District 7 has worked to identify local non-profit organizations that can occupy the space and provide beneficial services to the community.

El Nido Services - El Nido is a community non-profit agency which was founded in 1925 and incorporated as a 501(c)3 in 1954. The agency's mission today is to empower families in low-income communities of Los Angeles County to break the cycle of poverty, child abuse, violence, academic failure, and teen pregnancy through outstanding educational, youth development, health and therapeutic services. More specifically, the organization operates four primary programs out of three geographic locations and provides services valued at \$10 million annually to constituents living in the Antelope and San Fernando Valleys as well as to Central/South Los Angeles, Inglewood, Compton and

the Harbor areas. The four core programs are: 1) Teen, Parent and Family, 2) Child Abuse Prevention and Treatment, 3) Parenting and Child Development, and 4) Youth Development. For calendar year 2011, El Nido served 9,600 children, youth and their family members (including nearly 3,000 consumers at the Pacoima Family Service Center), 4,600 pregnant/parenting teens and their babies, and 636 children and family members impacted by or at-risk for child abuse. El Nido reports that the current Pacoima site is inadequate to continue to service the growing number of constituents. Approval of the lease would allow the non-profit to transfer two of its programs to the NCH: Parenting and Child Development (FSC) and Youth Development (GRYD).

Community Benefit and Budget for the San Fernando Valley and NCH Services – For purposes of determining the community benefit and financial analysis, this report looks only at the budget for the services provided in the San Fernando Valley from its Pacoima site and centers specifically on the two specified programs that are proposed for delivery from the NCH.

The 2012-13 annual budget for El Nido as a whole is approximately \$10 million of which \$3.8 million is attributable to programs delivered in the San Fernando Valley. Of the \$3.8 annual budget for the area, \$1.7 million is provided specifically to the FSC and GRYD programs which will operate from the NCH. Over the five-year proposed term of the lease, the amount projected to be spent on services is approximately \$8.5 million specifically for the two programs, not including inflation or increases in budget. There are 52 non-administrative full and part-time jobs in the San Fernando Valley program. It is anticipated that 21 positions will work out of the NCH and generate \$63,812 in payroll taxes annually.

El Nido Annual Budget for San Fernando Valley (FY 2012-13)

| | Teen, Parent and Family | Child Abuse Prevention and Treatment | Parenting and Child Development (FSC)* | Youth (GRYD) Development* | Totals |
|---------------|-------------------------|--------------------------------------|--|---------------------------|--------------|
| Budget | \$ 1,904,297 | \$ 229,079 | \$ 801,031 | \$ 900,000 | \$ 3,834,407 |
| Jobs | 23 | 8 | 10 | 11 | 52 |
| Payroll Taxes | \$74,049 | \$32,328 | \$26,705 | \$37,107 | \$170,289 |

*Services proposed to be provided from Pacoima Neighborhood City Hall total \$1.7 million annually

Rental Value for Five-Year Term - Based on information provided by GSD Real Estate Services, the market rate for the office space as well as retail space at the Neighborhood City Hall is within the range of \$1.50 to \$1.75 per square foot. Based on that information, the value of the rent for the office space proposed for El Nido would be \$2,700 to \$3,150 each month or \$32,400 to \$37,800 annually. The total rent value over the five year period would be from \$162,000 to \$189,000. It should be noted that the proposed lease is consistent with the City's Non-Profit Leasing policy in that the rental value of the office space is exceeded by the annual contribution in services from the non-profit.

FISCAL IMPACT

Approval of the lease would not have an impact on the General Fund. The proposed lease with El Nido will result in a rental value opportunity cost of between \$162,000 and \$189,000 over the five years which is addressed by economic community benefits of \$8.5 million over the same time period. Additionally, El Nido will be financially responsible for any and all tenant improvement costs required to build out the space, utilities, janitorial and security costs.

RECOMMENDATION

That the Council, subject to approval by the Mayor, authorize the Department of General Services to negotiate and execute a lease agreement with the non-profit El Nido Family Centers for office space within the Pacoima Neighborhood City Hall located at 13520 Van Nuys Boulevard for \$1 a year in exchange for its substantial community benefit provided to the Pacoima and San Fernando Valley area.

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item #7

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



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January 31, 2013

Honorable Councilmembers
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: Maria Espinoza, Legislative Assistant

**AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW LEASE AGREEMENT
WITH EL NIDO FAMILY CENTERS FOR OFFICE SPACE AT
THE PACOIMA NEIGHBORHOOD CITY HALL**

The Department of General Services (GSD) requests authority to negotiate and execute a \$1-a-year lease agreement for a five year term between the City of Los Angeles (City) and El Nido Family Centers (El Nido), a non-profit corporation, for approximately 1,800 square feet of office space within the Pacomia Neighborhood City Hall located at 13520 Van Nuys Boulevard, Pacoima, California.

BACKGROUND

The Pacoima Neighborhood City Hall in Council District 7 was built in 2007 and is the current location of Council District 7 (CD 7) field office. The building is two stories and has approximately 10,007 square feet of office space. There is also a retail component of approximately 2,370 square feet.

In October 2012, a motion by Councilmember Alarcon was approved to instruct GSD to negotiate and execute a new lease with El Nido for a five year term in consideration of the valuable services it provides to Pacoima and the San Fernando Valley. El Nido has office locations throughout Los Angeles County and requires office space in Pacoima. CD 7 has determined that the Pacoima Neighborhood City Hall would serve as a



people also seek engaging and skills-building after school activities, as extracurricular options on LAUSD campuses have been severely reduced. El Nido's FSC is also a place where families come together, out of a desire to improve their own quality of life and that of the larger community. Case management is the principle method for identifying clients' needs, connecting them with responsive resources and removing barriers to access. Staff and materials are bilingual for the majority Latino population. Concrete needs (food, safe and affordable housing, utilities, transportation, etc.) are met first, through collaboration with private and public agencies, and donations from individuals, communities of faith and corporations. Crises, such as domestic violence, job layoff, and family disruption are also addressed quickly. Once stable, families develop action plans and seek new skills to achieve their goals. El Nido staff, university interns, volunteers and community partners provide a growing array of opportunities at the FSC. Orientations acquaint families with on-site options for adults, such as: multi-benefit screening; low cost auto insurance; VITA tax prep; beginner and workforce computer training; ESL and adult education; caregiver training and certifications; and healthy nutrition nights/cooking classes. Parent education (Spanish/English), mother and father support groups and financial literacy training help parents better provide for themselves and their children. Onsite services for children and youth include: a homework center (with tutoring and computer access); independent study; Teens at Work job preparation; service learning and youth development activities (college prep mentoring, photography, music/guitar, acting/theater, cultural art forms, creative writing, sports/fitness, and community improvement projects). Partners offering services at the FSC include MEND, Tia Cucha's Cultural Center, Pacoima Beautiful, Anderson Medical Career College, and L.A. County's Office of Education and Department of Public Social Services.

Pacoima FamilySource Center Outcome:

Enhanced income/assets for over 75% of families served; educational progress (grades/test scores raised) for 70% of children/youth; improved parenting skills and family functioning for more than 80%, and satisfaction with services received (97% of youth, 100% of adults). El Nido's Pacoima FSC was one of only three in L.A. to receive the highest "Four Star" rating in the City's annual performance evaluation, for two successive years.

El Nido's Gang Reduction & Youth Development (GRYD) Program is the prevention arm for the Pacoima Zone, part of the City's network to address crime and violence by the 400 gangs and 41,000 gang members believed to be active in Los Angeles. Young people (ages 10-15) are selected for program enrollment according to a research-based screening tool. The instrument assesses specific risk factors: anti-social tendencies, poor parental supervision, critical life events, impulsive risk taking, neutralization (i.e., justifying harmful behavior), negative peer influence, peer delinquency, family gang influence and self-reported delinquency/substance abuse. Young people served are those who show significant levels of risk in four or more of these dimensions. The GRYD program follows a complex, City-defined model. The model is intensive, and carried out through a team approach (including supervising counselors and case managers). On a monthly basis, each of these clients participates in: one individual

The Child Abuse Prevention & Treatment Program (CAP&T) addresses both documented cases of abuse/neglect and children/families at high risk. El Nido's CAP&T Program provides professional, evidence-based service modalities, including: assessment, counseling (using proven Trauma-Focused Cognitive Behavioral Therapy and Solutions-Focused approaches), in-home intervention, parenting/family life education, case management (to connect clients with needed and scarce resources) and emergency response. Given the magnitude of the need, El Nido expands service capacity by supplementing professional staff with qualified Master's-level social work interns. CAP&T clients are also engaged in other El Nido programs (e.g., the Pacoima FSC and TFS) to address basic needs, unemployment, low-educational attainment and social isolation, thereby reducing stressors that can contribute to abuse/neglect. The newly implemented DMH PEI contract provides another resource/model for parenting education for families at risk. DCFS is in the process of redesigning its delivery system for non-profit providers and new requests for proposals are expected to be released shortly. El Nido will apply to maintain and expand upon existing services, as appropriate and feasible.

Child Abuse Prevention & Treatment Program Outcome:

Prevention of subsequent child abuse/neglect reports for 97% of children served; 89% showed reduction in emotional and behavioral symptoms of trauma; parenting skills, family functioning and home environments improved in 97% of cases; and 83% of children showed progress in school. All participants were linked with resources to meet essential needs, through El Nido's extensive collaborative network.

El Nido Program Goals & Objectives

El Nido's primary goals this year are to: increase the number of clients served to 12,000 (or by 25% over last year); to maintain its high standards for program quality and client outcomes; and to implement the agency's strategic plan (with an emphasis on strengthening financial stability and offering additional service opportunities to meet client needs). Documented outcomes obtained through the program examples above are as follows:

El Nido Staffing

El Nido's staff agency-wide includes 145 master level therapists, BA level case managers, parent educators, child development specialists, nurses, program managers, and administrative/support staff. Of these, 79 are providing services in the Northeast San Fernando Valley. This included staff on the City of L.A. funded Pacoima FSC and GRYD programs. The Pacoima FSC has 8 staff. In addition, a full-time teacher from the L.A. County Office of Education is co-located at the FSC. She offers Independent Study to a minimum of 60 teens annually to help them complete their high school diploma and GED. The GRYD program has a staff of 13. A number of volunteers ranging from graduate and BA level interns providing counseling and case management, as well as activity volunteers also provide services within the FSC and GRYD programs.

TERMS AND CONDITIONS

The proposed lease agreement contains the following terms and conditions:

LOCATION: Pacoima Neighborhood City Hall
13520 Van Nuys Boulevard, Pacoima, California

TENANT: El Nido Family Centers

USE: Office Space – 1st Floor

SQUARE FEET: Approximately 1,800 square feet

TERM: Five years

RENTAL RATE: \$1.00 per year

TENANT IMPROVEMENTS: Tenant shall be financially responsible for any and all costs of tenant improvements required to build-out the space

UTILITIES: Tenant shall be financially responsible for all applicable utility costs during build-out and operations of the center

JANITORIAL: Tenant shall be financially responsible for all applicable janitorial costs

SECURITY: Tenant shall be financially responsible for all applicable security costs

TENANT EARLY TERMINATION: Tenant shall have the right to terminate its tenancy for any reason after the first year and completion of all tenant improvements, as long as tenant is in good standing. Notification to terminate must be in writing to the City at least six month in advance

CITY'S RIGHT TO TERMINATE: City shall have the right to terminate the lease should El Nido lose its non-profit status, cease to operate family, gang outreach and/or prevention services from the leased premises, or fail to abide by the terms and conditions of the lease agreement