

TRANSMITTAL

TO Council	DATE 09-19-18	COUNCIL FILE NO. 12-1643-S2
FROM Municipal Facilities Committee		COUNCIL DISTRICT 6

At its meeting held on August 30, 2018, the Municipal Facilities Committee (MFC) approved the recommendations of the attached General Services Department (GSD) report, as amended, which would authorize GSD to negotiate and execute a non-profit sub-lease agreement with Dignity Health dba Northridge Hospital Medical Center, for a Department of Water and Power (DWP) owned facility located at 14651 Oxnard Street for a 10-year term, subject to Council approval. The lease space would continue to be utilized to provide support for sexual and domestic abuse victims for a rental rate of \$0 per year on the basis that the value of the community benefits provided (\$900,900) exceeds the market value of the leased space (\$112,557). During consideration of the item, GSD clarified that the master lease agreement between the City and DWP is proposed for a 10-year term with no extension options (C.F. 12-1643-S2), while the non-profit sub-lease includes two five-year extension options. The Committee adopted the report recommendations with instructions to align the sub-lease term with that of the master lease by eliminating the extension options. The Committee's recommendation is hereby transmitted for Council consideration. There is no impact on the General Fund.



Richard H. Lewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

RHL:JCY:05190035

City of Los Angeles

CALIFORNIA



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August 30, 2018

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

REQUEST AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW SUB-LEASE AGREEMENT WITH DIGNITY HEALTH DBA NORTHRIDGE HOSPITAL MEDICAL CENTER

The Department of General Services (GSD) requests authority to negotiate and execute a sub-lease agreement with Dignity Health dba Northridge Hospital Medical Center for use of a facility located at 14651 Oxnard Street in Van Nuys. Dignity Health will utilize the site to provide support for sexual and domestic abuse victims.

BACKGROUND

The facility is owned by the Department of Water and Power (DWP). The City first approved a lease (Master Lease) for this property on October 26, 2012. This lease expired in June 2018 (C.F. 12-1643-S1). A new Master Lease with DWP is now pending Mayor and Council approval.

GSD subsequently executed two subleases for the use of this facility: one with Dignity Health dba Northridge Hospital Medical Center and the other with The University Corporation dba Strength United. These subleases also expired in June 2018, thereby necessitating new subleases to continue co-operation of the Valley CARES Family Justice Center (FJC). The FJC is a multi-agency partnership with on-site staff consisting of a victim advocacy and counseling center.

DIGNITY HEALTH

Dignity Health operates CATS, an offsite department of Northridge Hospital Medical Center, providing medical evidentiary examinations to sexual assault victims and is a member of the Sexual Assault Response Team (SART) providing support for sexually and domestically abused women and children.

Dignity Health has requested to execute a new sub-lease for an additional 10 years. The Office of the City of Los Angeles Council District Six is in favor of and supports the proposed agreements.

The proposed lease agreement will contain the following:

TERMS AND CONDITIONS

LOCATION: 14651 Oxnard St, Los Angeles, CA 91411

LANDLORD: City of Los Angeles

USE: Provide social services to domestic abuse and sexual assault victims

SQUARE FEET: Approximately 4,283

TERM 10 Years

OPTION TERM: Two Five-Year Options

RENTAL RATE: \$0 per year for the first 5 year term

ADDITIONAL RENT: N/A

SECURITY DEPOSIT: No security deposit required

UTILITIES: All utilities will be paid by Tenant and separately metered.

PARKING: Included at no additional costs

TENANT IMPROVEMENTS: All Tenant Improvements will be at the sole cost of the Tenant

CUSTODIAL SERVICE: All custodial services will be at the sole cost of the Tenant

BUILDING MAINTENANCE: All maintenance to the tenants leased space will be at the sole cost of the Tenant

The proposed Tenant is aware of the City's mandatory ordinance requirements including the Living Wage Ordinance and will conform accordingly.

COMMUNITY BENEFIT

The CAO completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions of the Lease. The total CBA is \$900,900 annually, which includes Direct Services, Operational Budget and Additional Offsets/In-Kind Services costs. The market value for leased space is \$112,557 annually. The community benefit of \$ \$900,900 annually exceeds the market value of \$112,557 for the leased space by \$788,343.

FISCAL IMPACT

No revenue will be generated from this lease to the General Fund during the lease period.

RECOMMENDATION

That the Los Angeles City Council authorizes the Department of General Services to execute a lease agreement with Dignity Health, dba Northridge Hospital Medical Center, for use of the City-owned facility located at 14651 Oxnard Street in Van Nuys for a term of ten years.



Tony M. Royster *for*
General Manager

Community Benefit Analysis for Proposed Non-Profit Lease

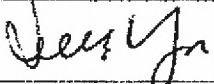


I. Proposed Lease Terms and Conditions	
Facility Location:	14651 Oxnard St, Van Nuys, CA 91411
Lessee:	Dignity Health, a non-profit 501(c)(3) organization (dba Northridge Hospital Medical Center)
Council File Reference:	12-1643-S1 (Motion adopted January 14, 2016)
Space Assignment:	Approximately 4,283 square feet (Floor)
Term & Renewal Option:	Ten (10) years, with no option to renew.
Market Rate:	\$2.19 psf (\$9,380 monthly; \$112,557 annually)
Proposed Rental Rate:	\$0 per year during the first term, with rate under any renewal options to be subject to negotiation.
Utilities/Custodial:	Lessee shall be financially responsible for all applicable utility and custodial costs.
Tenant Improvements:	Lessee shall have full responsibility for the cost of any and all needed tenant improvements and building upkeep.
II. History and Current Services	
Mission:	<p>Dignity Health (dba Northridge Hospital Medical Center) dedicates its resources to delivering compassionate, high-quality, affordable health services; serving and advocating for those who are poor and disenfranchised; and partnering with others in the community to improve quality of life.</p> <p>The Center for Assault Treatment Services (CATS) is one of the core services provided by Dignity Health - Northridge Hospital Medical Center. CATS' mission is to provide compassionate, comprehensive care to victims of domestic and sexual assault and child victims of sexual abuse in a supportive and comforting environment.</p>
Vision:	<p>Dignity Health's vision is a vibrant, national health care system known for service, standing in partnership with patients, employees and physicians to improve the health of all communities served.</p> <p>CATS' vision is a world in which every child and adult is free of abuse, neglect and exploitation and able to achieve his or her full potential for a health filled, responsible and productive life.</p>

Community Benefit Analysis for Proposed Non-Profit Lease

<p>Background / History:</p>	<p>The Northridge Hospital Medical Center is a not-for-profit hospital established in 1955 as the first hospital in the West San Fernando Valley.</p> <p>CATS Northridge Hospital Medical Center is a member of the Sexual Assault Response Team (SART) that provides support for sexually and domestically abused women and children. CATS offers clinical services and free workshops. The Los Angeles Police Department relies on CATS to provide valuable evidence in cases related to sexual assault and sexual abuse.</p> <p>The Center's CATS program joined a Family Justice Center (FJC) pilot project in 2009 and has been providing services through the Valley FJC since 2012.</p>
<p>Current Services:</p>	<p>The CATS team trains community leaders in mandated child abuse reporting guidelines. The program's four service components help victims begin the recovery process while providing law enforcement with evidence to assist with the investigation process:</p> <ul style="list-style-type: none"> • Referrals to patient advocates in the FJC for short-term and long-term counseling • Video- and audio-taped forensic interviews • Victim and suspect medical examinations in a secure environment with leading technological equipment • Outreach and training <p>CATS also provides DNA and evidence collection, shares information with law enforcement and the Department of Child and Family Services, and provides expert witness at court hearings.</p>
<p>Proposed Use of Property</p>	<p>Continued operation of the Valley Cares Family Justice Center, a public-private partnership linking various agencies responsible for responding to child abuse and domestic and sexual violence.</p>

Community Benefit Analysis for Proposed Non-Profit Lease

III. Community Benefit Analysis	
Value of Direct Services	<p>A. Value of Dedicated Staff and Services to Participants: \$647,900</p> <p>Staff salaries consist of administrative staff members including a full-time program manager and administrative coordinator (\$197,600); and 10 direct program staff members including nurse practitioners and registered nurses earning an average hourly wage of \$65, who are available on-call in addition to working various hours a week, converted into an annual term of 52 weeks (\$450,270). Programs offered to participants are listed below:</p> <ul style="list-style-type: none"> • Physical abuse exams • Domestic violence exams • Victim interviews • Follow-up medical exams and interviews • Sexual assault exams • Suspect exams
Value of Operational Budget:	<p>B. Value of Operational Budget: \$253,000</p> <p>Value is calculated at the 2017-18 actual cost minus the cost of staff salaries and benefits. Costs include training, equipment, office and medical supplies, pharmaceuticals, utilities, and building and operating maintenance.</p>
Total Community Benefit:	\$900,900 annually
Market Value for Leased Space	<p>\$112,557 annually</p> <p><i>calculated as: average monthly market rate of \$ 2.19 per s.f. multiplied by assigned space of 4,283 sq. ft. multiplied by 12 months = \$112,557</i></p>
Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$900,900 annually, exceeding the market value for the leased space by \$788,343.</p> <p>Approval of the proposed lease terms is recommended on the basis that the value of the community benefits exceed the market value of the leased space.</p>

0220-05479-0001			
Work Assignment Number	Analyst	Chief	Assistant CAO

YC:JCY:05190018

Release Date: 08-22-18