

TRANSMITTAL

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TO
CouncilDATE
08-05-16

COUNCIL FILE NO.

FROM
Municipal Facilities CommitteeCOUNCIL DISTRICT
7

At its meeting of July 28, 2016, the Municipal Facilities Committee adopted the recommendations of the attached Department of General Services (GSD) report. Adoption of the recommendations would authorize GSD to execute a non-profit lease between the City of Los Angeles and the Youth Policy Institute (YPI) for 13,596 square feet of space owned by the City at the Youth Source Center, located at 11844 Glenoaks Boulevard. GSD's report is hereby transmitted for Council consideration with the following correction: leased space to be reflected as 13,488 square feet.

There is no impact on the General Fund as a result of the recommended actions.



Miguel A. Santana
City Administrative Officer
Chair, Municipal Facilities Committee

MAS:KG:05170008c

CITY OF LOS ANGELES
CALIFORNIA

Item #8

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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July 28, 2016

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

Attention: Eric Villanueva, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE AND EXECUTE A NEW
LEASE WITH YOUTH POLICY INSTITUTE, A NON-PROFIT ORGANIZATION**

The Department of General Services (GSD) requests authority to negotiate and execute a lease for approximately 13,596 rentable square feet of ground space which includes a boxing ring, gym and office space with Youth Policy Institute, consistent with the motion (CF No. 15-1244) adopted by the City Council.

BACKGROUND

The Youth Policy Institute (YPI), a non-profit 501(c) 3 organization has worked since 1996 to change lives in some of the most vulnerable communities in Los Angeles. YPI uses a holistic approach to reduce poverty by ensuring families have access to high quality schools, education and technology services to enable a successful transition from college to career.

They have leased space at Youth Source Center from the City of Los Angeles since 2012 without a contract. The leased space with a boxing ring, gym and training offices serve to provide transportation assistance, computer training, job training and healthcare assistance in line with YPI's mission goals. YPI is currently working with the LAPD Jeopardy program, a youth boxing program to better outreach to the community and draw troubled youth in for services. While YPI currently does not pay rent it has paid all applicable utility, custodial and tenant improvements on property.

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

The lease agreement contains the following:

TERMS AND CONDITIONS

LOCATION:	11844 Glenoaks Boulevard (Youth Source Center)
LANDLORD:	City of Los Angeles
USE:	Childhood services, academic and supportive services, college and academic care
SQUARE FEET:	13,596 square feet
TERM:	10 years
OPTION TERM:	Two 5-year options
RENTAL RATE:	\$0 per year
ADDITIONAL RENT:	N/A
SECURITY DEPOSIT:	No security deposit required
UTILITIES:	All utilities will be paid by Tenant
PARKING:	Up to 27 spaces including 2 handicapped spaces.
TENANT IMPROVEMENTS:	All ongoing Tenant Improvements will be at the sole cost of the Tenant. Currently, Tenant has received \$250,000 in CDBG funding for the project and an additional \$1.7M is projected.
CUSTODIAL SERVICE:	All custodial services will be at the sole cost of the Tenant
MAINTENANCE:	All building maintenance of the Premises will be at the sole cost of the Tenant

PUBLIC BENEFIT

The CAO completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions of the Lease.

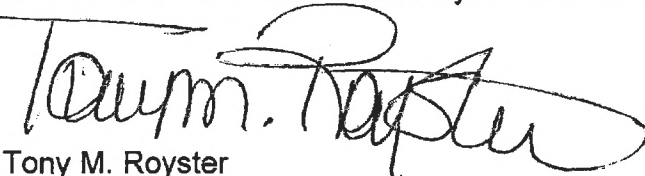
As outlined in the attached CBA, the proposed Lease is consistent with the City's proposed Non-Profit Leasing Policy wherein the rental value of the space does not exceed the annual contributions in services from the non-profit Lessee.

FISCAL IMPACT

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

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a new lease agreement with Youth Policy Institute under the terms and conditions substantially as outlined in this report.

A handwritten signature in black ink, appearing to read "Tony M. Royster", with a large, stylized flourish extending from the end of the signature.

Tony M. Royster
General Manager

Attachment

Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions

Facility Location:	11844 Glenoaks Boulevard, San Fernando, CA 91331
Lessee:	Youth Policy Institute (YPI), a non-profit 501(c)3 organization
Council File Reference:	15-1244 (Motion adopted December 15, 2015)
Space Assignment:	Approximately 13,596 square feet
Term & Renewal Option:	10 years, with two 5-year options to renew. Approval of the renewal options at the proposed rental rate will be at the discretion of the City.
Market Rate:	\$2.65 per s.f. (Monthly Rate: \$36,029; Annual Rate: \$432,348)
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 needed tenant improvements.

II. History and Current Services

Mission:	YPI transforms Los Angeles neighborhoods using a holistic approach to reduce poverty by ensuring families have access to high quality schools, "wrap-around" education and technology services, enabling a successful transition from cradle-to-college-and-career.
Vision:	To break the cycle of intergenerational poverty.
Background / History:	Since 1996, YPI has worked to change lives in some of the most vulnerable communities in Los Angeles. Through YPI's various program and services, clients receive help accessing: public benefits; health care and legal services; tax preparation and asset building services; adult education and computer literacy classes; and workforce development services including placement services.
Current Services:	<p>YPI's core programs and services include:</p> <ul style="list-style-type: none"> • <u>Early Childhood Services</u>: Includes learning programs such as parenting classes and a new Early Head Start Program. • <u>K-12 Academic and Supportive Services</u>: Includes academic tutoring and mentoring, summer bridge programs, physical education,

Community Benefit Analysis for Proposed Non-Profit Lease

	<p>nutrition, art and music classes, and gang prevention programs.</p> <ul style="list-style-type: none"> • <u>Middle and High School Facilities:</u> YPI operates a total of five local schools that emphasize technology, project-based learning, and high levels of parental involvement. YPI also partners with 96 additional local area schools. • <u>College and Career Readiness:</u> Program outreach begins targeting clients as early as elementary school. Activities include counseling, college visits, matched college savings accounts, student internships and summer job opportunities. There is a special emphasis on "at-risk" youth ages 16-24, with services that include case management, educational support, college and career support, leadership and personal development. • <u>YPI Operated FamilySource, YouthSource, and WorkSource Centers:</u> Offers various program services to clients needing help accessing: public benefits; health care and legal services; tax preparation and asset building services; adult education and computer literacy classes; and workforce development services, including job training and placement.
III. Community Benefit Analysis	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff:</u> \$574,819</p> <p><i>Calculated as 16 staff members earning an average hourly wage of \$15.89 per hour for 40 hours a week, converted into annual terms (x 52 weeks). An additional cost of \$46,000 is for 30% of the Director and Assistant Director's salaries at \$26,000 and \$20,000, respectively.</i></p> <p>B. <u>Value of Other Direct Client Services:</u> \$1,010,777</p> <p><i>Includes all grants awarded to the center (including two Department of Labor grants, three city grants, and two private grants) that are used to fund various direct client services that include paid internships, emergency housing funds, tokens and TAP cards, food and clothing cards, class and test fees, and books and supplies.</i></p>
Value of Operational Budget:	<p>C. <u>Value of Operational Budget:</u> \$1,183,323</p> <p><i>Calculated as the value of all grants monies used to fund operational expenses that include meetings, trainings, transportation, operational cost, equipment, office supplies, and program supplies.</i></p>
Total Community Benefit:	<u>\$2,768,919 annually</u> (=A+B+C above)

Community Benefit Analysis for Proposed Non-Profit Lease

Market Value for Leased Space	<p><u>\$432,348 annually</u></p> <p><i>Calculated as the average market rate of \$2.65 per s.f. multiplied by assigned space of 13,596 s.f. multiplied by 12 months</i></p>
Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$2,768,919 annually exceed the market value of \$432,348 for the leased space by \$2,336,571.</p> <p>The proposed lease is consistent with the City's proposed Non-Profit Leasing Policy in that the rental value of the space is exceeded by the annual contributions in services from the non-profit lessee. The proposed terms are recommended for approval.</p>

07/20/2016			
Date	Analyst	for Chief	Assistant CAO