

TRANSMITTAL

TO
Council

DATE

05-25-17

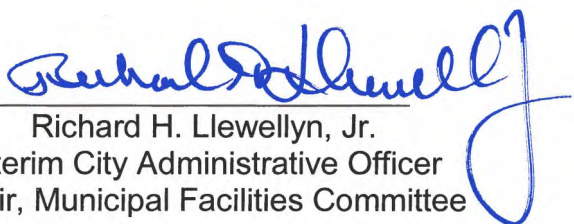
COUNCIL FILE NO.

FROM
Municipal Facilities Committee

COUNCIL DISTRICT
1

At its meeting of March 30, 2017, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached Department of General Services (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to execute a non-profit lease between the City of Los Angeles and Soledad Enrichment Action, Inc. for space owned by the City located at 3514 North Broadway.

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

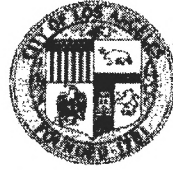

Richard H. Llewellyn, Jr.
Interim City Administrative Officer
Chair, Municipal Facilities Committee

RHL:ACG:05170121

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 6

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

March 30, 2017

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

Attention: Eric Villanueva, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE
AND EXECUTE A NEW LEASE WITH SOLEDAD
ENRICHMENT ACTION, INC., A NONPROFIT ORGANIZATION**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease with Soledad Enrichment Action, Inc. (SEA) a nonprofit organization for office space at 3514 North Broadway in Lincoln Heights.

BACKGROUND

The nonprofit, SEA, will be sharing 50% of the building, which is 800 square feet and currently vacant, at the decommissioned Fire Station 70 with Council District 1 and the Lincoln Heights Neighborhood Council. The office will be staffed with three full-time and three part-time employees.

A Motion was approved by Council on January 3, 2017 (C.F. 16-1266).

SEA provides counseling and case management, parent education, job training and placement, and after school tutoring. SEA also provides City services through the Mayor's Office of Gang Reduction and Youth Development (GRYD).

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

The proposed lease agreement will contain the following:

TERMS AND CONDITIONS

Location:	3514 North Broadway
Landlord:	City of Los Angeles
Use:	The site will be used to operate a nonprofit service organization.
Square Feet:	Approximately 800
Term:	Three years
Option:	Two One-year renewals
Rental Rate:	\$0
Security Deposit:	Not Required
Utilities:	All utilities will be at the sole cost of the Tenant
Parking:	Five spaces and one space for the disabled on site to be used by all building occupants. There will be no assigned parking.
Tenant Improvement:	All tenant improvement will be at the sole cost of the Tenant.
Custodial Services:	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.

The proposed lease is consistent with the City's proposed Nonprofit Leasing Policy wherein the rental value of the space significantly exceeds the annual contributions in services from the nonprofit lessee.

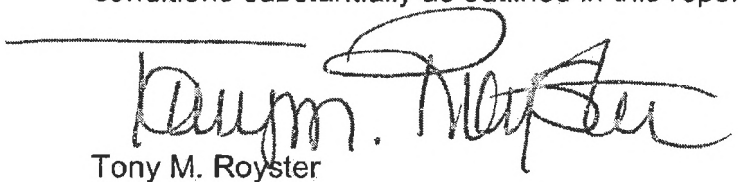
The CAO completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions of the lease.

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 Soledad Enrichment Action, Inc. to operate a nonprofit service organization at 3514 North Broadway under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

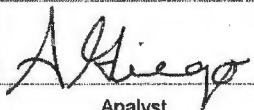
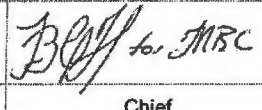

Attachment

Community Benefit Analysis For Non-Profit Lease

I. Lease Terms and Conditions	
Facility Location:	3514 North Broadway, Los Angeles
Lessee:	Soledad Enrichment Action, a non-profit 501(c)3 organization
Council File Reference:	16-1266 (Motion adopted on 11/09/2016)
Space Assignment:	800 square feet
Term & Renewal Option:	Three year initial term, with two one-year options to renew. Approval of the renewal options at the existing rate will be at the discretion of the City.
Market Rate:	\$2.25 per square foot (Monthly rate: \$1,800 / Annual rate: \$21,600).
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 utilities and custodial costs.
Tenant Improvements:	Lessee shall have full responsibility for the cost of any needed tenant improvements.
II. History and Current Services	
Mission:	SEA empowers youth, families, and communities in underserved areas to become self-determined contributing members of society by providing guidance, resources and support.
Vision:	SEA works with its clients in a safe, family-oriented and supportive environment to enable them to become self-directed and productive members of society.
Background / History:	Soledad Enrichment Action Inc. (SEA) is a non-profit organization, founded in 1972 by a group of mothers in East Los Angeles who had lost their sons to gang violence. From these humble beginnings, SEA has since grown to become the leading provider of services to high-risk individuals, families, and gang-affected communities within Southern California. SEA combines individually-tailored high school educational services with various supportive services offered.
Current Services:	SEA provides a wide array of social, mental health, and educational support services. Services for high-risk youth and their families provide alternative to gangs, drugs and violence by providing them with alternative high school and parenting education services, mental health therapy, drug & alcohol counseling, field trips and after school tutoring including arts and crafts activities.

Community Benefit Analysis For Non-Profit Lease

III. Community Benefit Analysis	
Value of Direct Services:	<p>A. Value of Dedicated Staff: \$174,000</p> <ul style="list-style-type: none"> • Lead Community Intervention Worker (1 position) • Community Intervention Worker (1 position) • Case Manager (1 position) • Parenting Instructor (12.5 positions) • Afterschool Programming Coordinator (25 positions) • Afterschool Instructor/facilitator (25 positions) <p>B. Value of Services to Participants: \$991,600</p> <p><i>Value of services includes: mental health (USC Telehealth), case management and intervention, after school tutoring, victims of crimes services, urban art movement, employment and job skills training, gender specific programming, parents helping parents, caught in the crossfire, teen parenting sessions, camp excursions and family reunification.</i></p>
Value of Operational Budget:	<p>C. Value of Operational Budget - specify: \$14,156</p> <p><i>Includes: Electricity, Internet, telephone, janitorial, cleaning supplies & toiletries and office supplies.</i></p>
Additional Offsets / In-Kind Services:	<p>D. Value of Additional Offsets – specify: \$21,000</p> <p><i>Includes: Field trips, community events, peace efforts, workshops, resource fair and camp expression.</i></p>
Total Community Benefit:	\$1,200,756 annually (=A+B+C+D above)
Market Value for Leased Space	<p>\$21,600 annually *</p> <p>(* calculated as: average market rate of \$2.25 per s.f. multiplied by assigned space of 800 s.f. multiplied by 12 months = \$21,600)</p>
Benefits Finding & Recommended Action.	<p>Community benefits estimated at \$1,200,756 annually, exceed the market value of \$21,600 for the leased space by \$1,179,156.</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>

			
Date	Analyst	Chief	Assistant CAO