

TRANSMITTAL

TO Council	DATE 09-20-17	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 9

At its meeting of August 31, 2017, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to negotiate and execute a lease agreement between the City and the St. Joseph Center, a nonprofit organization, to utilize 5,120 square feet of space of parking lot space to operate a farmers market located at 8509 S. 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:BCH:05180047

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 4

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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August 31, 2017

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

Attention: John White, Legislative Assistant

**REQUEST FOR AUTHORIZATION TO NEGOTIATE AND
EXECUTE A NEW LEASE AGREEMENT WITH ST. JOSEPH CENTER**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement with the St. Joseph Center (SJC), a non-profit 501(c)3 organization, for the City-owned property located at 8509 S. Broadway, City Parking Lot No. 678 (Lot 678) for use as a Farmers Market.

BACKGROUND

Lot 678 is a 64 space parking lot, previously owned and managed by the Department of Transportation that was identified as a surplus site for affordable housing. It was subsequently transferred to the jurisdiction of the City Administrative Officer (CAO) under the Affordable Housing Opportunity Sites in June 2017. The CAO expects to issue a Request For Proposal for site development in the fall of 2017. As the evaluation process for development suitability will take two to three years, there is an opportunity to provide a short term use benefit to the surrounding community.

On August 29, 2017, Council District 9 introduced a motion instructing GSD, with the assistance of the CAO, to negotiate and execute a lease based on a Community Benefit Analysis (CBA) with SJC to use Lot 678 as a temporary Farmers Market to serve the residents of South Los Angeles.

SJC was established in 1976 by St. Joseph of Carondelet to serve those who are less fortunate. SJC became a non-profit 501(c)3 organization in 1987. The agency has expanded from its original storefront location in Venice to operate programs at multiple sites in the southern and western regions of Los Angeles. On an annual basis, SJC serves an estimated 7,000 individuals.



SJC's new South Los Angeles Broadway Manchester Service Center opened in 2017 and provides comprehensive case management, mental health services and integrated social service programs. These include a vehicular outreach program, the rapid re-housing team, and the intensive case management team. This location also serves as a remote work space for other SJC staff visiting clients housed around South Los Angeles.

PROPOSED USE

SJC proposes to establish a weekly Farmers Market on the site of Lot 678 to help address economic and racial disparities, lack of healthy food choices, and to provide new opportunities for community engagement. SJC's mission is to provide working poor families, as well as homeless men, women, and children of all ages with resources and tools to become productive, stable and self-supporting members of the community. SJC will provide food and community engagement in the form of a new Farmers Market.

Many areas of South Los Angeles also lack immediate access to healthy food and affordable housing. According to the Los Angeles Food Policy Council, 72 percent of restaurants in South Los Angeles are fast food establishments. Improving the unhealthy retail food environments often found in low-income neighborhoods by increasing the affordability of and access to healthy food can help transform a neighborhood's food options. Within approximately three miles of Lot 678, there are three farmers markets, only two of which are open year-round.

This new Farmers Market will provide a retail space for vendors of fresh fruits and vegetables, meat and poultry, along with commercial and homemade baked goods. The Farmers Market will operate seven days a week from 7 a.m. to 9 p.m. Non-food vendors could include producers of Arts & Crafts, such as handmade clothing and linens. The market would also offer chef/cooking demonstrations, entertainment, and community engagement opportunities such as educational workshops, collaborative art projects, and gallery/exhibition space.

PROJECT FUNDING

SJC will provide all funds necessary to establish and manage the Farmers Market site. SJC has secured funding through established community-partner relationships, SJC's own fundraising efforts, including Private Foundation Community Development grants, and through proposed Farmers Market fees. In addition, SJC will seek a long-term, strategic funding partnership with the U.S. Department of Agriculture Farmers Market Promotion Program, which provides funding through programming grants.

The proposed lease agreement will contain the following:

TERMS AND CONDITIONS

LOCATION:	8509 S. Broadway, Los Angeles, CA 90003
LANDLORD:	City of Los Angeles
USE:	Farmers Market

SQUARE FEET:	Approximately 5,120 rentable square feet
TERM	Month-To-Month
OPTION TERM:	N/A
RENTAL RATE:	\$0 payable lease; lessee shall be responsible for any and all costs, expenses, liabilities, etc., arising out of or relating to operating a Farmers Market
ADDITIONAL RENT:	N/A
SECURITY DEPOSIT:	No security deposit required
INSURANCE:	Lessee shall furnish the City with evidence of general liability insurance from insurers acceptable to the City; Tenant agrees to include the City, its boards, officers, agents and employees as additional insured
UTILITIES:	All utilities will be paid by tenant
PARKING:	N/A
TENANT IMPROVEMENTS:	N/A
SANITATION SERVICE:	All sanitation services will be at the sole cost of the tenant
MAINTENANCE:	All maintenance to the premises will be at the sole cost of the tenant. Tenant shall not make any alterations to the property. No permanent structures can be erected on site. The premises shall be cleaned & power washed regularly. Set-up and clean-up shall be at the sole cost and responsibility of lessee and its vendors.

PUBLIC BENEFIT

The CAO completed the attached CBA and recommends approval of the proposed terms and conditions of the Lease. The total CBA is \$241,740 annually, which includes Direct Services at \$33,040, Value of Operational Budget at \$8,700, and Additional Offsets/In-Kind Services at \$200,000. The market value for leased space is \$120,422 annually. The community benefit of \$241,740 annually exceeds the market value of \$120,422 for the leased space by \$121,318.

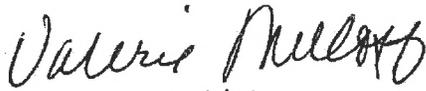
As outlined in the attached CBA, the proposed lease is consistent with the City's proposed Non-Profit Leasing Policy wherein the annual contribution in services from the non-profit Lessee significantly exceeds the annual rental value of the space.

FISCAL IMPACT

No revenue will be generated from this lease to the General Fund during the lease period. The tenant shall be required to abide by all applicable permits and regulations for the operation of a Farmers Market.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services to negotiate and execute a new lease agreement with St. Joseph Center, a non-profit 501(c)3 organization, for the proper planning, operating and management of a Farmers Market located at 8509 S. Broadway, City Parking Lot No. 678 under the terms and conditions substantially as outlined in this report.



Tony M. Royster *for*
General Manager

Attachment

Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions	
Facility Location:	8509 S. Broadway, Los Angeles, CA 90003 (City Parking Lot No. 678)
Lessee:	St. Joseph Center (SJC), a non-profit 501(c)3 organization
Council File Reference:	____ (Motion adopted____)
Space Assignment:	Approximately 5,120 square feet (Lot)
Term & Renewal Option:	Month to month.
Market Rate:	\$1.96 per square foot (Monthly rate: \$10,035/Annual rate: \$120,422)
Proposed Rental Rate:	\$0 per year.
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:	To provide working poor families, as well as homeless men, women, and children of all ages with the inner resources and tools to become productive, stable and self-supporting members of the community.
Background / History:	<p>SJC was established in 1976 by St. Joseph of Carondelet to serve those in need. The Center became a non-profit organization in 1987. The agency has expanded from its original storefront location in Venice to operate programs at multiple sites in the southern and western regions of Los Angeles. On an annual basis, the agency serves an estimate 7,000 individuals.</p> <p>In 2017, SJC opened its new Broadway Manchester Service Center (BMSC) in South Los Angeles that provides comprehensive case management, mental health services and integrated social service programs. The BMSC operates several programs including the vehicular outreach program, the rapid re-housing team, and the intensive case management team, and also serves as a remote work space for other staff.</p>

Community Benefit Analysis for Proposed Non-Profit Lease

<p>Current Services:</p>	<p>Current services offered by the SJC include:</p> <p><u>Outreach & Engagement</u></p> <ul style="list-style-type: none">• Bread and Roses Café serves hot, nutritious meals to homeless men, women, and children in a welcoming atmosphere.• Countywide Benefits Entitlement Services Team (CBEST) provides targeted advocacy to assist homeless men and women in obtaining sustainable income through such programs as SSI, SSDI, CAPI (DPSS), and the VA.• Coordinated Entry System is the region-wide collaborative led by SJC to coordinate outreach and housing placement efforts for homeless individuals.• Homeless Service Center provides long-term case management aimed at permanent housing, offers referrals for critical services such as substance abuse treatment, and provides emergency services, such as shelter placements.• Street Outreach/Housing Navigation Programs include the Vehicular Homeless Outreach Program in L.A. County (Supervisorial District 2) along with outreach teams that provide housing placement services for vehicular and street homeless individuals/families.• Venice C3 uses an innovative "County + City + Community" partnership approach (the C3 model) that systematically engages people living on the streets; provides immediate access to resources such as interim housing, urgent care, primary care, mental health services and substance use disorder treatment; and helps them regain health and housing stability. For more information click here. <p><u>Housing</u></p> <ul style="list-style-type: none">• Chronic Homeless Programs assist the community's most vulnerable homeless individuals obtain and maintain permanent supportive housing. The program focuses on serving persons who have been homeless for an extended period, are the most visible in the community, and may be high users of police, paramedic and emergency room resources.• Coordinated Entry System for Families is the region-wide collaborative led by SJC that provides short-term rental assistance, resource referrals, and case management to homeless and at-risk families with children in an effort to support housing stability.• Housing for Health helps high utilizers of LA County public health resources obtain and maintain
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Community Benefit Analysis for Proposed Non-Profit Lease

	<p>permanent supportive housing.</p> <ul style="list-style-type: none">• Housing Services assists homeless and low-income households in securing and/or maintaining voucher and project-based permanent housing.• Integrated Mobile Health Team provides mental health, physical health and substance abuse services to chronically homeless individuals.• Rapid Rehousing provides move-in assistance and short-term rental subsidies. <p><u>Mental Health</u></p> <ul style="list-style-type: none">• Ánimo provides traditional and non-traditional mental health services to underserved Latino families and individuals.• Field Capable Clinical Services provides mental health services to support housing stability for formerly chronically homeless individuals.• Monetary Advisory Program (MAP) provides at-risk mentally ill adults with case management, money management, financial literacy classes, along with help finding and maintaining housing.• Senior Services provides case management and mental health support aimed at improving low-income and homeless seniors' housing stability, overall functioning, and quality of life. <p><u>Education & Vocational Training</u></p> <ul style="list-style-type: none">• Codetalk trains low-income women in computer coding skills to help them obtain employment in the tech sector.• Culinary Training Program educates low-income adults in food service and life skills to help them obtain jobs.• Early Learning Center (ELC) provides children 18 months to 5 years old the opportunity to learn, grow, and become self-sufficient, independent learners in a nurturing and socioeconomically diverse environment.• Food Pantry provides low-income households with supplemental groceries, nutrition education, and workshops designed to increase wellbeing and support progress toward self-sufficiency.• The Veteran's Representative Payee Program provides at-risk adults and veterans with case management, money management, financial literacy classes, and help maintaining housing.
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Community Benefit Analysis for Proposed Non-Profit Lease

<p>Proposed Use of Facility: 8509 S. Broadway (City Parking Lot No. 678)</p>	<p>SJC proposes to establish "SoLA Open Air" at the proposed lease site. This new "Outdoor Community Space" would reconfigure the existing parking lot as an al fresco community center offering varied structured activities and programming along with opportunities for community members to use portions of the space on their own. SJC's plan includes semi-permanent stalls to serve as vendor space on Farmers Market days and potentially as temporary exhibition space for artists.</p>
<p>III. Community Benefit Analysis</p>	
<p>Value of Direct Services</p>	<p>A. Value of Dedicated Staff: \$33,040</p> <p>Estimated value of personnel costs for a Site Manager, Community Coordinator, Social Enterprise Workers, Security and administrative costs.</p> <p><i>Funding for personnel costs and additional operational expenses to be supported by various sources of funds provided by the U.S. Department of Agriculture Farmers Market Promotion Program grants, SJC fundraising efforts, Private Foundation Community Development grants, and farmers market fees.</i></p>
<p>Value of Operational Budget:</p>	<p>B. Value of Operational Budget: \$8,700</p> <p>Estimated cost for promotional, marketing, licensing, insurance, equipment and supplies and storage costs.</p>
<p>Additional Offsets / In-Kind Services:</p>	<p>C. Value of First year start-up costs and land improvements: \$200,000</p> <p>Estimated costs for site improvements to provide an open space with seating, tables and green community meeting space.</p>
<p>Total Community Benefit:</p>	<p>\$241,740 annually (=A+B+C above)</p>
<p>Market Value for Leased Space</p>	<p>\$120,422 annually *</p> <p>(* calculated as: average market rate of \$1.96 per s.f. multiplied by assigned space of 5,120 s.f. multiplied by 12 months = \$120,422)</p>

Community Benefit Analysis for Proposed Non-Profit Lease

<p>Benefits Finding & Recommended Action.</p>	<p>Community benefits estimated at \$241,740 annually, exceed the market value of \$120,422 for the leased space by \$121,318.</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/significantly offset by the annual contributions in services from the non-profit lessee. The proposed terms are recommended for approval.</p>
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08-28-17	<i>A. Guico</i>	<i>B. Hall</i> ^{for} <i>MRC</i>	<i>Volinda Chen</i>
Date	Analyst	Chief	Assistant CAO