

CITY OF LOS ANGELES  
CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
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July 30, 2020

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

Attention: Armando Bencomo, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE  
A NON-PROFIT LICENSE AGREEMENT WITH  
WATTS LABOR COMMUNITY ACTION COMMITTEE**

The Department of General Services (GSD) requests authority to negotiate and execute a new License Agreement with Watts Labor Community Action Committee (WLCAC), a 501(c)3 nonprofit organization, for use of a City facility located at 2528 South West Boulevard to operate a senior care center.

**BACKGROUND**

Council District 10 introduced a motion on March 19, 2019 (CF19-0281) directing GSD to negotiate and execute a license agreement with WLCAC to provide services for seniors in the community at the West Adams Southwestern Multi-Purpose Center.

The Department of Aging previously selected WLCAC as the contract service provider through a Request for Proposals released in November 9, 2018. Although a service contract is in place, WLCAC has been operating the site since July 2019 without an accompanying license agreement with terms and conditions for the facility's use. The license agreement will run concurrent to the service contract with the Department of Aging which can be renewed annually through June 30, 2023.

WLCAC offers case management, homemaker and chores services, nutrition services including congregate meals in the dining area, home delivered meals and nutrition education; transportation services, including trips to medical appointments; disease prevention and health promotion programs, and recreational activities.



**TERMS AND CONDITIONS**

WLCAC's license agreement is zero cost for a term running concurrent with the service contract at the City's discretion. WLCAC is responsible for any and all tenant improvements, building maintenance and custodial services required to operate the facility. A complete set of terms and conditions are outlined on the attached I term sheet.

**COMMUNITY BENEFIT**

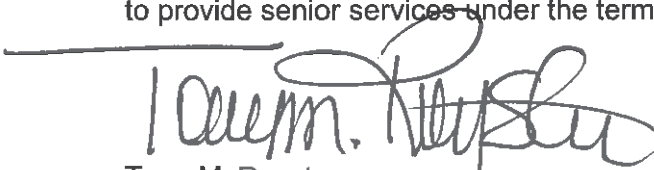
The City Administrative Office (CAO) completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions. The community benefit of \$1,370,123 annually exceeds the market value for the licensed space of \$180,000 by \$1,190,123.

**FISCAL IMPACT**

There is no additional impact to the General Fund. No revenue will be generated from this license during the term.

**RECOMMENDATION**

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute this new license agreement with WLCAC at 2528 South West Boulevard to provide senior services under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager

Attachments: Leasing Term Sheet  
Community Benefit Analysis

## LEASING TERM SHEET

MFC DATE	07/23/2020
LANDLORD	City of Los Angeles
ADDRESS	111 East 1st Street
TENANT	Watts Labor Community Action Committee
ADDRESS	10950 S Central Ave, Los Angeles, CA 90059
LOCATION	2528 South West Boulevard
AGREEMENT TYPE	License Agreement
USE	Provide services to seniors in the West Adams Community
SQUARE FEET	Approximately 10,000 square feet
TERM	To run concurrent with Dept. of Aging Service Agreement
RENT START DATE	n/a
LEASE START DATE	Start Date to run concurrent with the Dept. of Aging Service Agreement
OPTION TERM	To renew concurrently with Dept. of Aging Service Agreement through 6/30/2023
HOLDOVER	Month-To-Month to run concurrent with Dept. of Aging Service Agreement
SUBLET/ ASSIGNMENT	No Right to Sublease/Assign
TERMINATION	n/a
RENTAL RATE	None
ESCALATION	n/a
RENTAL ABATEMENT	n/a
ADDITIONAL RENT	n/a
PROPERTY TAX	n/a
OPEX	n/a
CAM	n/a

OTHER	n/a
SECURITY DEPOSIT	n/a
MAINTENANCE/ REPAIR	Other See 'Maintenance/Repair Details' section below.
MAINTENANCE/ REPAIR DETAILS	All maintenance, interior and exterior, shall be the sole responsibility of the tenant.
TENANT IMPROVEMENTS	Tenant shall, at its own cost and expense, be responsible for all tenant improvements.
PARKING	Street parking only - subject to availability.
UTILITIES	All utilities, including Internet, shall be paid by and assumed by the Tenant.
CUSTODIAL	Any and all custodial services shall be at the sole responsibility of the tenant.
SECURITY	Other - See below
PROP 13 PROTECTION	Other n/a
INSURANCE (City)	City shall indemnify and hold harmless Landlord
OTHER:	

**Community Benefit Analysis for Non-Profit Lease**

<b>I. Proposed Lease Terms and Conditions</b>	
Facility Location:	2528 S. WEST BLVD
Lessee:	WATTS LABOR COMMUNITY ACTION COMMITTEE, a nonprofit 501(c)3 organization
Council File Reference:	19-0281 (Introduced March 19, 2019)
Space Assignment:	Approximately 10,000 square feet
Term & Renewal Option:	One year, with two (2) year options to renew. Approval of the renewal options at the existing rate will be at the discretion of the City.
Market Rate:	\$1.50 per s.f. (Monthly \$15,000; Annually \$180,000)
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 any tenant improvement costs.
<b>II. History and Current Services</b>	
Mission:	Founded in 1965, WLCAC's mission is to improve the quality of life for the residents of Watts and South Los Angeles.
Vision:	Achieving a community that is peaceful, healthy and a place where anyone would be happy to live, work or play.
Background / History:	For over 50 years, WLCAC has worked to engage low income residents in self-determining the vision for its community.
Current Services:	Current social services and economic development programs, serve more than 30,000 individuals in the area. Services include Medi-Cal enrollment for seniors, employment and re-entry programs, youth development, senior nutrition, eviction prevention and housing placement.

**Community Benefit Analysis for Non-Profit Lease**

<b>III. Community Benefit Analysis</b>	
Value of Direct Services:	<p><b>A. Value of Dedicated Staff: \$498,724.</b></p> <ul style="list-style-type: none"> <li>WLCAC employs an equivalent of 36 personnel that includes 9 In-Home Service workers, 8 Drivers, 14 Nutritional Workers, and 5 Dining Coordinators, and additional Program staff at multiple sites.</li> </ul>
Value of Operational Budget:	<p><b>B. Value of Operational Budget: \$641,975.</b></p> <ul style="list-style-type: none"> <li>Provision of 1,400 meals per day.</li> <li>Vehicles, fuel, and maintenance.</li> <li>Utilities and trash collection.</li> <li>Building maintenance (janitorial, security, pest control).</li> </ul>
Additional Offsets / In-Kind Services:	<p><b>C. Value of Additional Offsets: \$229,424.</b></p> <ul style="list-style-type: none"> <li>WLCAC offsets include in-kind training assistance, direct donations, and 10 volunteers each providing an estimated 20 (4 hours x 5 days) service hours a week to support the programs offered Monday – Friday.</li> </ul>
Total Community Benefit:	<b>\$1,370,123 annually</b> (=A+B+C above).
Market Value for Leased Space:	<b>\$180,000 annually *</b> (* calculated as: average market rate of \$1.50 per s.f. multiplied by assigned space of 10,000 s.f. multiplied by 12 months = \$180,000)
Benefits Finding & Recommended Action:	<p>Community benefits estimated at \$1,370,123 annually, exceeds the market value for the leased space of \$180,000 by \$1,190,123.</p> <p>Approval of the proposed lease terms is recommended on the basis that the value of the community benefits exceed the market values of the leased space.</p>

2/27/20			
Date	Analyst	Chief	Assistant CAO

RHL/BSW/05200104

Release Date: 02-28-20