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October 27, 2022

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

Attention: Michael Espinosa, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE
A NEW LEASE AGREEMENT WITH COALITION FOR RESPONSIBLE
COMMUNITY DEVELOPMENT AT 4225 SOUTH OLIVE STREET, LOS ANGELES**

The Department of General Services (GSD) requests authority to negotiate and execute a new lease agreement with the Coalition for Responsible Community Development (CRCD) a 501(c)(3) non-profit organization for approximately 2,255 square feet (sf) out of a total building area of 4,510 sf at 4255 South Olive Street, Los Angeles, California 90037 in Council District 9 (CD 9).

BACKGROUND

Pursuant to the council motion, C.F. 20-1533, passed on December 15, 2020, the City Council directed GSD to negotiate lease agreements with two non-profits to occupy the former Junipero Serra branch library. CRCD is one of the organizations and Coalition for Humane Immigrant Rights Los Angeles (CHIRLA) is the other.

Both non-profits have occupied the site since around February 2020. CD 9 approved of their tenancy since the leases were being negotiated and to help mitigate vandalism which is more common at vacant City buildings.

Both CRCD and CHIRLA will use this former library as office space with CRCD and CHIRLA each occupying half of the building. The location will serve to provide needed services to the community. Specifically, CRCD provides youth development and workforce development services and CHIRLA provides immigrants and new Americans with assistance in finding shelter.



CRCD was formed in 2005 in response to the challenges faced by young people in the South Los Angeles-Vernon-Central neighborhood. Their focus has been to improve the quality of life for youth by providing work training and experience, education and support services, and to provide graffiti abatement.

The two non-profits will share costs for building maintenance, utilities, parking and for shared common area. These details were memorialized in a memorandum of understanding agreement between the two non-profits. CRCD will assume full responsibility to pay these costs and in turn will collect from CHIRLA for their share. The City of Los Angeles is not a party to that agreement.

Authority to negotiate and execute a separate lease agreement with CHIRLA for their use of this shared space is being requested by GSD in a separate report.

TERMS AND CONDITIONS

The 25-year lease agreement with CRCD will have no rent and no renewal terms. The term will commence upon the date of execution. A complete set of terms and conditions are outlined on the attached term sheet.

COMMUNITY BENEFIT ANALYSIS

The Office of the City Administrative Office (CAO) completed the attached Community Benefit Analysis (CBA) which supports the recommendation for approval of the proposed terms and conditions. See the attached CBA.

FISCAL IMPACT

There is no anticipated impact on the General Fund Impact as the lease agreement contains no rent.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize GSD to negotiate and execute a lease agreement with Coalition for Responsible Community Development for the use of office space at 4255 South Olive Street for use under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet
Community Benefit Analysis

LEASING TERM SHEET

MFC DATE

LANDLORD

ADDRESS

TENANT

ADDRESS

LOCATION

AGREEMENT TYPE

USE

SQUARE FEET

TERM

RENT START DATE

LEASE START DATE

OPTION TERM

HOLDOVER

SUBLET/
ASSIGNMENT

TERMINATION

RENTAL RATE

ESCALATION

RENTAL ABATEMENT

ADDITIONAL RENT

PROPERTY TAX

OPEX

CAM

OTHER

SECURITY DEPOSIT

MAINTENANCE/
REPAIR

MAINTENANCE/
REPAIR DETAILS

TENANT
IMPROVEMENTS

PARKING

UTILITIES

CUSTODIAL

SECURITY

PROP 13
PROTECTION

INSURANCE

OTHER:

Community Benefit Analysis for Proposed Non-Profit Lease

I. Proposed Lease Terms and Conditions	
Facility Location:	4255 South Olive Street, Los Angeles, CA 90037
Lessee:	Coalition for Responsible Community Development (CRCD), a non-profit 501(c) (3) organization
Council File Reference:	20-1533 (Motion adopted December 15, 2020)
Space Assignment:	Former Junipero Serra Library (approximately 2,255 square feet)
Term & Renewal Option:	Up to 25 Years
Market Rate:	\$1.56 per square feet (*calculated as: 2,255 square feet x \$1.56 per square feet/month = \$3,517.80 monthly rate x 12 months = \$42,214 annually)
Proposed Rental Rate:	\$0 per year
Clean-up and Associated Cost:	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 better sustain, coordinate and improve local planning, development and community services that address the needs of low-income and working-class residents and small businesses in South Los Angeles.
Vision:	<p>The vision of CRCD is to join with others in the community and to create an environment where:</p> <ul style="list-style-type: none"> • The basic needs of youth are met; • Youth can develop positive social skills; • Youth can become more aware of their neighborhood's needs; and, • Youth can demonstrate genuine civic pride by actively contributing to the empowerment of their community.
Background / History:	In 2005, Coalition for Responsible Community Development ("CRCD") was founded by a group of community leaders in response to the challenges faced by young people ages 18 to 24, particularly Black and Latino youth in the Vernon/Central neighborhood of South Los Angeles. From 2005 to 2006, the Los Angeles Conservation Corps provided fiscal sponsorship for CRCD in

Community Benefit Analysis for Proposed Non-Profit Lease


	<p>exchange for graffiti abatement services. This sponsorship was instrumental for providing training and work experience to unemployed youth and young adults. Today, CRCD provides education, career preparation, jobs, housing, supportive services and business assistance. Additionally, CRCD partners with organizations with a broader footprint to bring necessary expertise to their work. In 2010, CRCD Enterprises was launched as the City's provider of neighborhood and community beautification services for South Los Angeles portion of Council District 9.</p>
<p>Current Services:</p>	<p>CRCD's programs offer the following:</p> <ul style="list-style-type: none"> ▪ <u>Youth Post and Secondary Education</u> - CRCD serves disconnected and transition age youth (young adults ages 14-24 years), who are out of work and out of school, and face barriers to success that traditional institutions cannot accommodate. CRCD Academy is an alternative high school program with a focus on project-based learning and an expedited path to earn an accredited high school diploma and access to college educational credits. ▪ <u>Workforce and Economic Development</u> – The following free services are offered to job seekers: access to job board for immediate openings, free internet access and computers, employment-related workshops, one-on-one interview preparation, resources for laid-off workers and access to job adult workforce development training. ▪ <u>Homeless supportive for young adults</u> – Since 2011, CRCD has provided supportive services to better help young people ages 18 to 24 who are experiencing homelessness or housing instability to obtain stable housing, independent living skills and economic self-sufficiency. CRCD currently provides supportive services at five permanent supportive and affordable housing developments in South Los Angeles. In addition to an apartment, and a lease without a time limit, residents have access to CRCD staff members on-site for supportive services. CRCD has increased its capacity to serve South Los Angeles community members in need of housing placement and homelessness prevention. ▪ <u>Business Empowerment</u> – CRCD's BusinessSource Centers provide Southeast LA-based startup ventures and current small business owners with free and cost-effective tools to make their business a success.

Community Benefit Analysis for Proposed Non-Profit Lease

III. Community Benefit Analysis	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff</u>: \$225,000</p> <p>(1) Program Director: \$ 85,000 (salary)/\$16,000 (benefits) = \$101,000</p> <p>(1) Program Manager: \$60,000 (salary)/ \$12,000 (benefits) = \$72,000</p> <p>(2) Program Assistant Interns (Part-Time): \$26,000 (salary) x 2 = \$52,000</p> <p>B. <u>Value of Services to Participants</u>: \$300,000</p> <p>Estimated annual value of supplied goods and services includes: bus tokens and tap cards, move-in and rental assistance to address housing instability, grocery gift cards to address food instability and resume preparation and job search services:</p> <p>200 (average number of people receiving services per year) x \$1,500 per person (average value of goods and services) = \$300,000</p> <p>The value of the following services are reflected in the value of staff and budget described in Section A and C:</p> <ul style="list-style-type: none"> • Intake Service • Case Management & Follow-Up Services • Resource Referral Services • Enrollment in Training and Training • Community Service Activities • Employment Placement -Transitional Employment and Summer Jobs for Youth and Young Adults
Value of Operational Budget:	<p>C. <u>Value of Operational Budget - specify</u>: \$50,000</p> <p>General program operating costs including office Supplies (\$10,000) and equipment and technical support (\$40,000).</p>
Additional Offsets / In-Kind Services:	<p>D. <u>Value of Additional Offsets - specify</u>: \$750,000*</p> <p>Offsets include contract with City of Los Angeles Economic and Workforce Development Department (E&WDD): \$500,000 and Los Angeles Homeless Services Agency (LAHSA): \$250,000</p> <p>*Additional offsets provided as information only. Value is not included in the total community benefit calculation.</p>

Community Benefit Analysis for Proposed Non-Profit Lease

Total Community Benefit:	\$ 575,000 annually (=A+B+C+D above)
Market Value for Leased Space	\$ 42,214 annually* (*calculated at the market rate of \$1.56 per square foot multiplied by the estimated assigned space of 2,255 square feet multiplied by 12 months = \$42,214)
Benefits Finding & Recommended Action.	Community benefits estimated at \$575,000 annually, <u>exceed</u> the market value for the leased space (\$42,214) by \$532,786. 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.

0220-05479-0026	LaTanya Roux	Bernyce Hollins	 Yolanda Chavez
Work Assignment Number	Analyst	Chief	Assistant CAO

YC/LRR/05230010

Released Date: 08/04/22