

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

Agenda Item No. 4

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
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March 31, 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 LICENSE AGREEMENT WITH COMMUNITY BUILD, INC.
AT 5730-5732 S. CRENSHAW BLVD, LOS ANGELES**

The Department of General Services (GSD) requests authority to negotiate and execute a new license agreement with Community Build, Inc. ("CBI"), a 501(c)(3) non-profit organization for approximately 3,334 square feet (sf) of space at 5730-5732 S. Crenshaw Blvd, Los Angeles, California 90043 in Council District 8.

BACKGROUND

City Council adopted a motion (21-0758) to negotiate a no-cost license with CBI to occupy City owned property at 5730-5732 S Crenshaw. This property includes former Fire Station #54 and an adjacent parking lot which were previously licensed to a different non-profit. CBI will use both parcels to serve the South Los Angeles community by providing pre-employment training, job training, substance abuse counseling, and other supportive services. Food and other resources will be provided to qualified applicants as well.

CBI is a 29-year-old legacy African-American Organization founded after the 1992 civil unrest. Their goals are to develop members of the community by meeting their social, psychological, and financial needs through contract opportunities provided by local, state and federal agencies as well as philanthropic pursuits.

TERMS AND CONDITIONS

The proposed no-fee license term is for one year and will commence on date of attestation by City Clerk. The one-year term is necessary to allow the City to pursue plans to develop



this site as a future Jr. arts center. Authority for this development will be requested in a subsequent report.

CBI will be responsible for utilities and maintenance of the facility, including landscaping. A full set of terms and conditions are included in the attached Term Sheet.

COMMUNITY BENEFIT ANALYSIS

The Office of the City Administrative Officer (CAO) completed the attached Community Benefit Analysis (CBA) and recommends approval of the proposed terms and conditions of the license. As detailed in the attached CBA, the total community benefit is estimated at \$141,405 annually, which exceeds the rent market value \$70,014 annually for the licensed space by \$71,391.

FISCAL IMPACT

There is no anticipated impact on the General Fund impact as the license 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 license agreement with Community Build, Inc. for the use of office space at 5730-5732 South Crenshaw Blvd, Los Angeles, CA 90043 under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Lease 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	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Tenant
MAINTENANCE/ REPAIR DETAILS	Tenant fixes all common areas and general maintenance of site
TENANT IMPROVEMENTS	N/A
PARKING	As needed by tenant
UTILITIES	Tenant pays
CUSTODIAL	Tenant pays
SECURITY	None
PROP 13 PROTECTION	City is Exempt
INSURANCE	Tenant shall indemnify and hold harmless the City
OTHER:	Tenant to use spaces for public safety, work place violence prevention, farmer's market and other services to benefit community.

Community Benefit Analysis for Proposed Non-Profit License

I. Proposed License Terms and Conditions	
Facility Location:	5730-5732 South Crenshaw Boulevard, Los Angeles, CA 90043
Licensee:	Community Build Inc. , a non-profit 501(c) 3 organization
Council File Reference:	C.F. 21-0758 (Motion adopted 09/01/20/2021)
Space Assignment:	Approximately <u>3,334</u> square feet (sq. ft.)
Term & Renewal Option:	One (1) Year afterwards month to month holdover
Market Rate:	\$70,014 annually (calculated as: \$3,334 sq. ft. x \$1.75/sq. ft./mo = \$5,834.50 monthly x 12 months = \$70,014)
Proposed Rental Rate:	\$0 per year during the first year, and rates subject to re-negotiation at the discretion of the City.
Clean-up and Associated Cost:	Licensee shall be financially responsible for all applicable utility and custodial costs.
Tenant Improvements:	Licensee shall have full responsibility for the cost of any required tenant improvements, subject to the approval provisions defined in the license agreement.
Proposed Use of Property (Space)	Public safety work, violence prevention/intervention work, farmer's market, etc.
II. History and Current Services	
Mission:	The mission of Community Build Inc. (CBI) is to revitalize low-income communities in South Los Angeles through human capital investment, community economic development, and commercial economic development.
Vision:	CBI's vision is to serve as a principal resource for the betterment of the communities.
Background / History:	CBI is a 29-year old Legacy African-American Organization founded immediately after the 1992 Civil Unrest, with a goal to develop members of the community by meeting their social, psychological, and financial needs through contract opportunities provided by local, state and federal agencies, as well as philanthropic pursuits.

Community Benefit Analysis for Proposed Non-Profit License

Current Services:	<p>Highlighted programs and services offered by Community Build Inc. include:</p> <ul style="list-style-type: none">• <u>Gang Reduction and Youth Development (GRYD)</u>: As part of GRYD Prevention Program participant, CBI provides violence prevention and intervention services to at-risk, probationary and/or gang involved youth between the ages of 10 and 25. CBI's specific focus is to provide impacted individuals and families with alternatives to become assets to the community, free from current unhealthy behavior patterns. This comprehensive program also provides tutoring, academic counseling, case management, parenting, life skills and ongoing support to address the social determinants that lead to youth falling into crime and gangs. The GRYD program provides real time response to hotspot areas where violence is eminent and the need for suppression through alternatives to law enforcement is necessary. CBI's team of Interventionists are former "Street Culture Involved" individuals known to the specific area they are assigned. CBI provides access to employment and/or vocational training through their referral network of other agencies that have the same and/or similar goals.• <u>Project Save</u>: The Safe Passage Program assists school-aged students, individuals and families to travel safely within the community, with emphasis on safe travel to school or recreation areas such as parks. The program is composed of CBI staff, local residents, business owners, parent volunteers, schools and local law enforcement, all of whom provide a valuable safety net for students. This program is offered throughout Council Districts 8, 9 and 10 and CBI assists over 30,000 students per year, in nine different schools, with getting to and from school safely. Project Save also works with adults 18-30 and provides the following services:<ul style="list-style-type: none">○ Pre-Employment and Job Training○ Employment resources○ GED Prep○ Court ordered Community Service Hours○ Substance Abuse Counseling○ Supportive Services• <u>Community Response System of South Los Angeles</u>: Since the program launch in March 2020, CBI has worked collaboratively with other agencies to distribute over 20 million pounds of food, provided thousands of Chrome Tablet Computers to students, hundreds of hours of online tutoring, hundreds of thousands of PPE's, COVID-19 testing and Vaccinations. CBI is currently seeking Office of Emergency Services (OES) Certification from the State of California to formalize their efforts as a true Disaster Response System that is eligible for FEMA funding and reimbursements.
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Community Benefit Analysis for Proposed Non-Profit License

- Community Health Worker Initiative: Community Health Worker program provides jobs for unemployed/furloughed, reentry and hard to place individuals. Partnering with agencies such as WorkSource LA and Dad's Back Academy, CBI provides temporary employment to the most high-needs areas of the local communities. CBI is also launching a new initiative to hire Community Health Facility Workers. These individuals will be part of our Specialized Sanitation Organization Re-opening Team (S-Sort) and these teams will provide reopening services to essential businesses who have the need for assistance to meet infection control standards for reopening.
- Public Health Institute: CBI has entered into an agreement to utilize a \$350,000 grant with the Public Health Institute to facilitate increased outreach messaging and vaccination efforts. This program will allow CBI to continue to employ, on a temporary basis, community residents to assist at organizing at partner sites, messaging through various media and social media platforms.
- Fiscal Agency Support: CBI currently serves as Fiscal Agent providing financial receiver and management support. Some of these agencies include We Love Leimert Inc., Just Say Hello Campaign, and several other community-based groups. The goal is to increase support of smaller nonprofits in South Los Angeles and utilize this as a revenue stream.
- Senior Services Outreach: CBI has determined that there is a high need to provide additional outreach to senior communities throughout South Los Angeles. CBI is in the planning stages of determining effective relevant and time sensitive programming needed by seniors in the communities.
- Community Safety Initiative: This program was launched in the summer of 2020 with Councilman Harris-Dawson to eliminate/reduce the significant increase in gang related shootings. Safe Passage is provided in twelve different parks throughout the City.
- Homeless Outreach: CBI offers case managed homeless services for individuals enrolled in CBI programs (Project SAVE, GRYD, etc.) through onsite representation from the Los Angeles Homeless Services Authority (LAHSA) and Homeless Outreach Program Integrated Care System (HOPICS). Enrolled individuals receive intensive case management services to support self-sufficiency. A newly formed pilot program, providing initial outreach to homeless encampments that are known to have gang activity, has been launched in conjunction with Council District 8 and 9. The pilot program will assist local law enforcement with reimagining how they provide services in response to these specific groups of individuals.

Community Benefit Analysis for Proposed Non-Profit License

- Vaccination Support Services: CBI is currently partnering with LYFT to coordinate free rides to various vaccination sites around South Los Angeles. CBI has partnered with a number of network affiliates to increase the number of vaccinated African Americans.
- Heartbeat Campaign: The campaign is a series of commercials that begins with the sound of a heartbeat and proceeds to highlight a specific community challenge that CBI is addressing with its services and programs – keeping the heartbeat of the community going strong. The initial set of commercials will be focused on Vaccine hesitancy and promoting a compelling why.
- Women and Girls Initiative: CBI launched the Women and Girls Initiative to provide outreach and programming and to encourage support of women and girls in the community. The initial programming included free self-defense classes taught at the CBI offices in Leimert Park. CBI is expanding the program to address various social challenges women and girls encounter where they live work and play.
- Social Enterprise Development: CBI has charted the course to expand through launching social enterprises. The initial approach is to partner with organizations that have a need for point of entry into the Los Angeles marketplace.
- HSA Merger and Housing Development: CBI is completing a merger with a local drug and alcohol recovery organization. This will expand CBI's footprint of services and housing development. CBI in partnership with Women Organized for Resources and Knowledge (WORKS) completed the first housing development with 62 units of Permanent Supportive Housing.

Community Benefit Analysis for Proposed Non-Profit License

III. Community Benefit Analysis	
Value of Direct Services:	<p>A. <u>Value of Dedicated Staff</u>: \$85,160</p> <p>Estimated annual staff cost of one full time equivalent staff with a yearly salary of \$55,000 and one part-time staff with a maximum of 29 hours per week earning \$20 per hour (converted into annual amount of \$30,160 based on 29 hours x 52 weeks x \$20 per hour). Note: These costs do not include taxes and benefits.</p>
Value of Operational Budget:	<p>B. <u>Value of Operational Budget - specify</u>: \$56,245</p> <p>Includes costs associated with the following:</p> <ul style="list-style-type: none"> • Advertising/marketing, social media & photography - \$10,000; • Insurance - \$3,000; • Office and other consumable supplies - \$6,500; • Printing/copying/postage - \$3,300; • Staff training/development & training supplies - \$2,200; • Utilities/telephone/communications - \$2,500; and, • Payroll processing, program financial management consulting and other service-related costs - \$28,745.
Additional Offsets / In-Kind Services:	<p>C. <u>Value of Additional Offsets - specify</u>: \$185,000*</p> <p>* Participants may receive additional value of services beyond the estimated value of direct services and operational budget quantified in Section III.A. and III.B. above. The services listed below are not included in the quantification of service value, but included here for informational purposes. The delivery of these services will be largely through volunteers.</p> <p>The anticipated services to the community will be offered five to seven days per week of service activities ranging from career development and placements, youth/art programming and mentoring as part of a local Gang Reduction and Youth Development (GRYD), senior service activities, and CERT Training, as well as coordination/hosting of farmer's market at the facility. A preliminary valuation of these services is reflected below:</p> <ul style="list-style-type: none"> • Pottery classes estimated for 1,000 participants with estimate value of \$50.00 per class/person totaling \$50,000; • Arts classes approximately 1,000 participants with estimated value of \$50.00 per class/person totaling \$50,000; and, • Food Bags and boxes totaling 1,700 boxes and bags of groceries at \$50.00 each totaling \$85,000.

Community Benefit Analysis for Proposed Non-Profit License

Total Community Benefit:	\$ 141,405 annually (=A+B+C above)
Market Value for Licensed Space	\$ 70,014 annually** (*calculated as: average market rate of \$ 1.75 per sq. ft. multiplied by assigned space of 3,334 sq. ft. multiplied by 12 months = \$70,014)
Benefits Finding & Recommended Action.	Community benefits estimated at \$141,405 annually, <u>exceed</u> the market value for the licensed space (\$70,014) by \$71,391 . Approval of the proposed license terms is recommended on the basis that the value of the community benefits exceed the market value of the licensed space.

0220-05479-0022	LaTanya Roux	Bernyce Hollins	
Work Assignment Number	Analyst	Chief	Assistant CAO

YC/LRR/05220097

Release Date: 03/23/2022