

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



KAREN BASS
MAYOR

Agenda Item No. 2

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

October 30, 2025

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

Attention: Adam Lid, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A NEW LEASE
AGREEMENT WITH THE FOUNDATION FOR EARLY CHILDHOOD EDUCATION AT
1010 DOUGLAS STREET, LOS ANGELES, CA 90026**

The Department of General Services (GSD) requests authority to negotiate and execute a no-cost lease agreement with The Foundation for Early Childhood Education, a California 501(c)(3) nonprofit organization, for continued use of an early childhood education center at City-owned property located at 1010 Douglas Street, Los Angeles, CA 90026, in Council District 1 (CD1).

BACKGROUND

Council Motion C.F. 24-0684, adopted October 1, 2024, directed GSD to negotiate and execute a no-cost lease with Foundation for Early Childhood Education (ECE) which has operated the property known as the Echo Park Child Development Center since the 1980's. The current lease (C-69398) has been in holdover status since 1993. A new lease will provide stability, support long-term planning, and reaffirm the City's commitment to early education and equitable community development.

With Council's recent motion, GSD is authorized to formalize this longstanding arrangement through a new lease that will provide stability, enable long-term planning, and reaffirm the City's commitment to accessible early education and equitable community development.

ECE, a nonprofit serving Los Angeles since 1965, delivers high-quality early learning programs that promote school readiness, family engagement, and long-term success. Many staff began as parents of enrolled children, reflecting ECE's deep, multigenerational community impact.



TERMS AND CONDITIONS

The proposed lease agreement is structured as a no-cost lease, with an initial term of five (5) years and two (2) additional five-year renewal options at the City's sole discretion. Either party may terminate the agreement upon thirty (30) days' written notice. A complete set of terms and conditions are outlined on the attached term sheet.

The tenant will also be required to obtain and maintain a valid Child Care Center License issued by the California Department of Social Services, Community Care Licensing Division, along with any other permits or approvals required by applicable State or local agencies, in order to legally operate the preschool/child development center at the premises.

A provision will be included in the lease requiring reports from ECE on outreach efforts to CD-1 constituents as well as enrollment numbers based on zip codes. A complete set of terms and conditions are outlined on the attached term sheet.

COMMUNITY BENEFIT ANALYSIS

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

MAINTENANCE/UTILITIES/LANDSCAPING

ECE is responsible for maintaining the Echo Park Child Development Center at its sole cost and expense. ECE must keep the premises in good condition and repair, including all building systems such as windows, doors, plumbing, sewage, roofing, gutters, heating, air conditioning, and electrical. Any major repairs to structural elements (e.g., exterior walls or roofs) require the City's written consent, but remain the tenant's financial responsibility.

The City has no obligation to repair or replace any portion of the building or its fixtures.

ECE is also obligated to furnish and pay for all utilities serving the premises, including gas, water, and electricity. In addition, the lease requires ECE to provide custodial and maintenance services that keep the site in a safe, clean, and sanitary condition. This includes ensuring plumbing, electrical, heating, and cooling systems are fully operational, as well as maintaining sidewalks, landscaping, fencing, and play/parking areas in good condition. The premises must remain free from hazards, pests, litter, and unsightly signage, and all areas must be adequately illuminated to meet community safety standards.

FISCAL IMPACT

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

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor:

1. FIND, pursuant to the Los Angeles City Charter Section 371(e)(10) and Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable and impractical for this contract. The Foundation for Early Childhood Education, Inc. has operated as a trusted partner of the City at this location since the 1980s, providing essential early childhood education and family support services to low-income communities. ECE's continued presence ensures stability for vulnerable families and prevents service disruption that could result from transitioning to a new provider. Their long-standing community ties, proven service delivery model, and established operational infrastructure make them uniquely qualified to continue providing these critical services at this site.
2. AUTHORIZE the Department of General Services to negotiate and execute a lease agreement with the Foundation for Early Childhood Education, Inc. for the continued use of the City-owned property located at 1010 Douglas Street, Los Angeles, CA 90026, under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachment: Term Sheet
CBA

LEASING TERM SHEET

MFC DATE	October 30, 2025
LANDLORD	City of Los Angeles
ADDRESS	200 N. Main Street, Los Angeles, CA 90012
TENANT	Foundation for Early Childhood Education, a California 501(c)(3) nonprofit organization
ADDRESS	3450 E Sierra Madre Blvd, Pasadena, CA 91107
LOCATION	1010 Douglas Street, Los Angeles, CA 90026
AGREEMENT TYPE	Lease
USE	Childcare Center
SQUARE FEET	Approximately 2,832 square feet
TERM	Initial five (5) year term upon City Clerk attestation
EARLY POSSESSION	None
RENT START DATE	None
LEASE START DATE	Upon attestation by City Clerk
OPTION TERM	Two (2) five (5) year options to extend at the City's sole discretion.
HOLDOVER	N/A
SUBLET/ ASSIGNMENT	N/A
TERMINATION	Either party may terminate the agreement upon thirty (30) days' written notice.
RENTAL RATE	\$0.00
ESCALATION	N/A
RENTAL ABATEMENT	N/A

ADDITIONAL RENT	N/A
PROPERTY TAX	Tenant may be subject to possessory tax
OPEX	N/A
CAM	N/A
OTHER	N/A
SECURITY DEPOSIT	N/A
MAINTENANCE/ REPAIR	<p>Lessee shall be responsible for any and all costs, expenses and liabilities.</p> <p>Lessee shall, at its sole cost and expense, keep and maintain the premises—including all interior and exterior components such as windows, doors, walls, fixtures, flooring, plumbing, sewage systems, and air handling units—in good condition and repair. Lessee shall obtain prior written approval from the City before making any major repairs to roofs, structural elements, or exterior walls. Lessee shall be solely responsible for correcting any deficiencies and for all utility services. The City shall have no obligation to repair or replace any part of the premises.</p>
TENANT IMPROVEMENTS	Lessee shall be financially responsible for the cost of any needed tenant improvements
TENANT IMPROVEMENTS	<p>Any repairs, alterations or other improvements required from the specific use of the premises shall be performed by the Tenant at their sole cost and expense. City Approval is required for any alterations or improvements.</p> <p>Any repairs, alterations, or improvements required due to the Lessee's use of the premises shall be made at Lessee's sole cost and expense and only with prior written approval from the City. Lessee shall obtain all necessary licenses and permits.</p>
PARKING	Subject to availability at no extra cost.
UTILITIES	Tenant at their own sole cost and expense, shall furnish all utility services including gas, water, electricity, internet and any other applicable utilities required by the tenant on the premises.
CUSTODIAL	All custodial services shall be paid and assumed by the Tenant.
SECURITY	Refer below to "other"
PROP 13 PROTECTION	City is exempt
INSURANCE (Tenant)	<p>Tenant shall be responsible for insurance. Tenant shall indemnify and hold harmless the City.</p> <p>Appropriate insurance coverage to be determined by the City Risk</p>

Management Division to be further defined in the lease agreement.

OTHER:

Security – Tenant, at its own cost and expense, shall provide security for their premises at a level that is necessary to ensure the safety of their employees and clients.

PRINT:




Marcie Houchen

SIGNATURE:

Marcie Houchen

Audit trail

Details	
FILE NAME	Leasing Term Sheet - ECE - 1010 Douglas.docx - 5/27/25, 5:09 PM
STATUS	● Signed
STATUS TIMESTAMP	2025/07/01 17:47:01 UTC

Activity		
 SENT	frank.chander@lacity.org sent a signature request to: <ul style="list-style-type: none">• Marcie Houchen (mhouchen@ foundationheadstart.org)	2025/05/28 00:10:09 UTC
 SIGNED	Signed by Marcie Houchen (mhouchen@ foundationheadstart.org)	2025/07/01 17:47:01 UTC
 COMPLETED	This document has been signed by all signers and is complete	2025/07/01 17:47:01 UTC

The email address indicated above for each signer may be associated with a Google account, and may either be the primary email address or secondary email address associated with that account.

**Report from
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Community Benefits Analysis for Proposed Non-Profit Lease**

I. Proposed Lease Terms and Conditions	
Facility Location:	1010 Douglas Street, Los Angeles, CA 90026 (Head Start/Early Head Start/State Preschool – Child Care Center) in Council District 1
Lessee:	Foundation for Early Childhood Education (ECE), Inc.
Council File Reference:	C.F. 24-0684 (Adopted by City Council on 10/1/2024)
Space Assignment:	Approximately 2,832 square feet (APN# 5405-020-900)
Term and Renewal Option:	Five-year term commencing upon execution, with two five-year options to extend at the discretion of the City.
Market Rate:	\$3.11 per square foot or \$105,690.24 annually
Proposed Rental Rate:	\$0.00 during the initial term, and rates are subject to re-negotiation at the discretion of the City.
Tenant Improvements, Maintenance, Utilities, and Custodial Costs:	Lessee shall be financially responsible for tenant improvements, maintenance, utilities, and custodial costs.
II. History and Current Services	
Mission:	ECE is a service organization committed to promoting the growth and development of children, families, and staff. Dedicated to the development of self-esteem, self-sufficiency and empowerment, ECE provides an environment that fosters respect and understanding of all individuals and their cultural backgrounds. ECE creates a safe, nurturing, trusting, and social-enhancing environment for children through teamwork. ECE provides comprehensive, high-quality services to families with sensitivity to their particular needs and concerns.
Vision:	ECE makes effort to function as a community of responsible adults, working together to improve the quality of life for the children and families it serves.
Background / History:	ECE began in 1965 to provide high quality early education to families at risk in Los Angeles County. This foundation is a school readiness program to bridge the gap for young children in poverty and other disadvantaged groups to build their readiness skills for kindergarten and beyond. ECE has many staff who started as parents of a child enrolled in the program, and many staff who stay for decades.

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Current Services:	Echo Park Child Development Center, Head Start/State Preschool, serves up to 16 preschool children, ages three to five. Children can be eligible for services based on a variety of criteria including disability, poverty level, Child Protective Services or Department of Children and Family Services, homelessness and other risk factors.
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III. Community Benefits Analysis

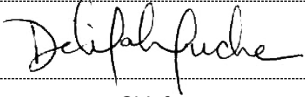

Value of Direct Services:	A. <u>Value of Dedicated Staff</u> : \$513,167.00		
	<u>Staff/Benefit</u>	<u>Rate</u>	<u>Annual Value</u>
	Fringe Benefits	\$9,869.25 per month for 12 months	\$118,431.00
	Teacher 1	\$5,200 per month for 11 months	57,200.00
	Teacher 2	\$5,200 per month for 10 months	52,000.00
	Teacher 3	\$4,637.27 per month for 11 months	51,010.00
	Supporting Staff	\$4,215 per month for 12 months	50,580.00
	Coordinators	\$3,894.58 per month for 12 months	46,735.00
	Assistant Teacher	\$3,771.80 per month for 10 months	37,718.00
	Classroom Aide	\$3,679.90 per month for 10 months	36,799.00
	Family Services Associate	\$1,833.25 per month for 12 months	21,999.00
	Child Development Specialist Supervisor	\$1,403.83 per month for 12 months	16,846.00
	Office Assistants	\$1,130.67 per month for 12 months	13,568.00
	Maintenance Personnel	\$856.75 per month for 12 months	10,281.00
		Total	\$ 513,167.00

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	<p>B. <u>Value of Services to Participants</u>: \$9,000.00</p> <table border="1"> <thead> <tr> <th>Service</th> <th>Rate</th> <th>Annual Value</th> </tr> </thead> <tbody> <tr> <td>Consultants</td> <td>\$750 per month for 12 months</td> <td>\$9,000.00</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td>\$9,000.00</td> </tr> </tbody> </table>	Service	Rate	Annual Value	Consultants	\$750 per month for 12 months	\$9,000.00	Total		\$9,000.00															
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Value of Operational Budget:	<p>C. <u>Value of Operational Budget</u>: \$282,000.00</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Rate</th> <th>Annual Value</th> </tr> </thead> <tbody> <tr> <td>Printing, Food, Janitorial, and Classroom Supplies</td> <td>\$15,250 per month</td> <td>\$183,000.00</td> </tr> <tr> <td>Maintenance</td> <td>\$5,000 per month</td> <td>60,000.00</td> </tr> <tr> <td>Utilities</td> <td>\$1,500 per month</td> <td>18,000.00</td> </tr> <tr> <td>Permit and Insurance</td> <td>\$700 per month</td> <td>8,400.00</td> </tr> <tr> <td>Information Technology and Legal Fee</td> <td>\$550 per month</td> <td>6,600.00</td> </tr> <tr> <td>Staff Training</td> <td>\$500 per month</td> <td>6,000.00</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td>\$282,000.00</td> </tr> </tbody> </table>	Item	Rate	Annual Value	Printing, Food, Janitorial, and Classroom Supplies	\$15,250 per month	\$183,000.00	Maintenance	\$5,000 per month	60,000.00	Utilities	\$1,500 per month	18,000.00	Permit and Insurance	\$700 per month	8,400.00	Information Technology and Legal Fee	\$550 per month	6,600.00	Staff Training	\$500 per month	6,000.00	Total		\$282,000.00
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Additional Offsets / In-Kind Services:	<p>D. <u>Value of Additional Offsets</u>: \$31,026.00</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Annual Value</th> </tr> </thead> <tbody> <tr> <td>Child and Adult Care Food Program</td> <td>\$21,026.00</td> </tr> <tr> <td>Volunteer Time</td> <td>10,000.00</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td>\$31,026.00</td> </tr> </tbody> </table>	Item	Annual Value	Child and Adult Care Food Program	\$21,026.00	Volunteer Time	10,000.00	Total		\$31,026.00															
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Total Community Benefits:	<u>\$835,193.00</u> annually (=A+B+C+D above)																								
Market Value for Leased Space:	<u>\$105,690.24</u> annually																								

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Benefits Finding and Recommended Action:	<p>Community benefits estimated at <u>\$835,193.00</u> annually exceed the annual market value of <u>\$105,690.24</u> for the leased space by <u>\$729,502.76</u></p> <p>Approval of the proposed lease terms is recommended on the basis that the value of the community benefits exceeds the market value of the leased space.</p>
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0220-05479-0057	Aira Wada		
Work Assignment Number	Analyst	Chief	Assistant CAO

YC:AW:05250043

Release Date: 05-06-25