

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

Agenda Item No. 4

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
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LOS ANGELES, CA 90012
(213) 928-9555
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July 31, 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 NON-PROFIT LEASE AGREEMENT WITH CANOPY ROOTS, LLC AT
1722 N. CHEROKEE AVENUE, UNIT B, HOLLYWOOD, CA 90028**

The Department of General Services (GSD) requests authority to negotiate and execute a new license agreement with Canopy Roots, LLC (Canopy Roots) (Tenant), and the City of Los Angeles (City) (Landlord) in Council District 13 (CD13) for the City-owned retail space located at 1722 North Cherokee Avenue, Unit B, Hollywood, CA 90028 ("Premises"). Canopy Roots will provide the City's unarmed response efforts, through the Crisis and Incident Response through Community-Led Engagement (CIRCLE) Program, for the Hollywood communities of the Los Angeles Police Department's (LAPD)'s West Bureau service area.

BACKGROUND

The site is located in a retail storefront that is part of LADOT's Cherokee/Hollywood Parking Garage (Lot 670). Both the parking lot and the retail spaces fall under the jurisdiction and maintenance responsibility of the Los Angeles Department of Transportation (LADOT). The Mayor's Office selected this City-owned location to house a CIRCLE program operation in one of the retail storefronts due to its proximity to high-need areas and street-level activity in Hollywood, aligning with the program's mission to provide rapid response and outreach services.

On March 4, 2025, the City Council adopted Motion (C.F. 25-0115) directing GSD to negotiate a no-cost license agreement with Canopy Roots to implement the CIRCLE Program for the Hollywood service area.

Although awarded the Mayor's CIRCLE Program Service Contract (C-200436) from January 1, 2025 through December 31, 2025 for this service area, Canopy Roots does not yet have possession of the City-owned space. In the interim, Canopy Roots continues



providing CIRCLE services for this area from their other locations. The proposed license agreement will provide appropriate space in the area they service, and aligns with the Mayor's Office of Community Safety service contract, renewed annually through the Mayor's budget process.

Canopy Roots will utilize the 866 square foot premise for dispatch operations, administrative functions, and outreach coordination. Additionally, the site will serve as a decompression center, providing temporary relief from extreme weather and offering food, water, and service referrals to individuals experiencing homelessness. The premises were previously occupied by the City's former service provider, Urban Alchemy, who has since vacated the location.

The CIRCLE Program consists of two key components:

1. Unarmed Alternative Response - Responding to non-emergency 911 calls involving individuals experiencing homelessness.
2. Unhoused Outreach Teams - De-escalating conflicts, making service referrals, and performing light sanitation work within the homeless community.

Canopy Roots began operations in Minneapolis, Minnesota, and expanded to Los Angeles in early 2025 following the success of its community-based crisis response model. Their mission is to build safer communities through compassionate care, emphasizing emotional de-escalation, crisis intervention, and resource connection. The organization prioritizes the experiences of Black, Indigenous, People of Color, and other historically marginalized communities, ensuring its crisis responders reflect the diverse populations they serve.

TERMS AND CONDITIONS

As this is a LADOT-controlled site, GSD has confirmed that the proposed license agreement does not require approval from the Board of Transportation Commissioners.

The license agreement is co-terminous with Canopy Roots' service agreement, which is in effect through December 31, 2025. If the CIRCLE contract is extended beyond this date, the lease term will be extended accordingly. If the CIRCLE contract is terminated or expires, the license agreement will automatically terminate.

This zero-cost license agreement is based on Canopy Roots' performance of services under its contract with the City. The complete terms and conditions are outlined in the attached term sheet.

COMMUNITY BENEFIT

Inasmuch as the CIRCLE Program is a City program formed to facilitate crisis and intervention response and to provide social services for homeless individuals, the proposed license being necessary for the implementation of such programs, does not require further analysis of community benefits in support of the license.

MAINTENANCE/UTILITIES/LANDSCAPING

LADOT will be responsible for major building and site systems, while Canopy Roots will be responsible for utilities, janitorial services, routine maintenance, and repairs within the licensed premises. This includes windows, doors, fixtures, interior walls, flooring, ceilings, lighting, fire/life safety, pest control, and localized plumbing backups not affecting the mainline. Canopy Roots will also be responsible for any damage caused by its personnel, invitees, or clients. Additionally, Canopy Roots will maintain or reimburse LADOT for the HVAC maintenance contract, including repairs or replacement of fixtures, outlets, plumbing, and HVAC components damaged due to intentional destruction or misuse.

The licensed premises do not include any landscaped areas.


FISCAL IMPACT

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

RECOMMENDATION

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

1. FIND, Pursuant to 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. Canopy Roots has been awarded the Crisis and Incident Response through Community-Led Engagement (CIRCLE) Program service contract by the Office of the Mayor through a bidding process and is uniquely positioned to implement and manage program operations at the City-owned facility at 1722 N. Cherokee Ave, Suite B. This location will serve as the primary dispatch center for outreach coordination and service delivery to individuals experiencing homelessness, ensuring an efficient and immediate response to community needs. Given Canopy Roots' expertise in behavioral health services, crisis intervention, and street-based outreach, as well as its alignment with the Mayor's initiative, it is the most qualified and capable entity to operate from this facility, maximizing program effectiveness and community impact.
2. AUTHORIZE the Department of General Services to negotiate and execute a license agreement with Canopy Roots for the retail space located at 1722 N. Cherokee Ave, Suite B, Hollywood, CA 90028 under the terms and conditions substantially outlined in this report.



Tony M. Royster
General Manager

Attachments: Term Sheet
Site Plan

LEASING TERM SHEET

MFC DATE	July 31, 2025
LANDLORD	City of Los Angeles
ADDRESS	111 E. First Street, Suite 201, Los Angeles, CA 90012
TENANT	Canopy Roots LLC
ADDRESS	615 1st Avenue Northeast, Suite 500, Minneapolis, MN 55413
LOCATION	1722 Cherokee Avenue, Unit B, Hollywood, CA 90028
AGREEMENT TYPE	License Agreement
USE	Mayor's CIRCLE Program - Homeless Outreach
SQUARE FEET	866 square feet
TERM	Co-Termious with Mayor's Service Contract currently expiring December 31, 2025
EARLY POSSESSION	N/A
RENT START DATE	N/A
LEASE START DATE	Upon City Clerk's attestation
OPTION TERM	Extension to be co-termious with Mayor Service Contract (C-200436) with Canopy Roots LLC
HOLDOVER	No
SUBLET/ ASSIGNMENT	No rights to sublet or assign the license without approval and consent.
TERMINATION	Revocable immediately upon termination of Canopy Roots' Service Contract with the City
RENTAL RATE	\$0.00 (Zero Dollar Lease)
ESCALATION	N/A

RENTAL ABATEMENT	N/A
ADDITIONAL RENT	N/A
OPEX	None
CAM	None
CONTINGENCY PERIOD	N/A
SECURITY DEPOSIT	No Security Deposit Required.
MAINTENANCE/ REPAIR DETAILS	<p>Canopy Roots (Tenant) is responsible for all utilities, janitorial services, and routine maintenance and repairs within the leased premises. This includes upkeep and minor repairs to interior elements such as windows, doors, fixtures, walls, flooring, ceilings, lighting, pest control, and localized plumbing issues that do not affect the mainline. The Tenant is also responsible for any damage caused by its personnel and must maintain or reimburse the City for the HVAC maintenance contract. Additionally, Canopy Roots is responsible for the repair or replacement of fixtures, outlets, plumbing, or HVAC components if damaged due to intentional misuse or destruction. There are no landscaping responsibilities assigned to the Tenant, as the site includes no landscaped areas.</p> <p>The City (Landlord - LADOT) is responsible for maintaining and repairing major building and site systems, including structural components such as the roof, foundation, and core building systems (e.g., HVAC, electrical, plumbing, and fire/life safety) that serve the building as a whole.</p> <p>The City (Landlord) shall in no event be responsible for repairs or replacements to the Premises resulting from the negligence, misuse, or intentional acts of Canopy Roots (Tenant), including damage to fixtures, outlets, plumbing, or HVAC components caused by the Tenant or its personnel.</p>
TENANT IMPROVEMENTS	If and to the extent City gives prior written approval for Tenant to install tenant improvements - Tenant shall be responsible for any and all tenant improvements at its sole cost and expense
PARKING	None
UTILITIES	Tenant
CUSTODIAL	Tenant
SECURITY	Tenant
PROP 13 PROTECTION	City is exempt

INSURANCE
(Tenant)

Canopy Roots shall maintain general liability insurance with a minimum limit of \$1,000,000 per occurrence, as well as workers' compensation and employer's liability coverage in compliance with California law. The City must be named as an additional insured on all applicable policies, which must provide at least 30 days' advance written notice of cancellation or material change in coverage. In addition, Canopy Roots shall indemnify, defend, and hold harmless the City from any claims, liabilities, or damages arising from its use or occupancy of the premises, except where such claims result from the City's gross negligence or willful misconduct.

All insurance and indemnification requirements shall be further defined in the lease agreement and subject to the approval of the City Administrative Officer's Risk Management Division.

OTHER:

N/A

PRINT:

Taylor Crouch-Dodson

SIGNATURE:

Taylor Crouch-Dodson

Signature:

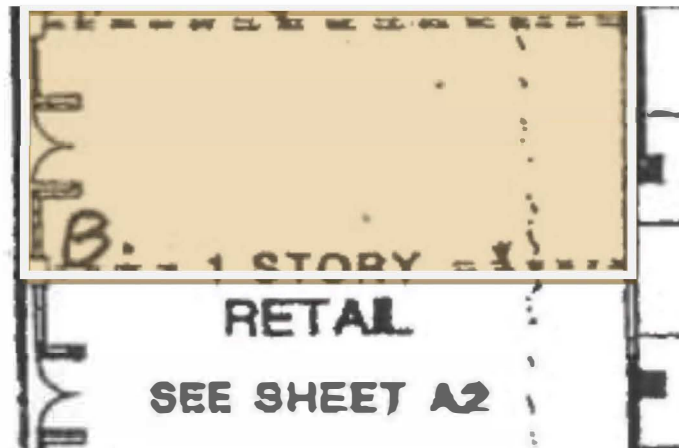


[Taylor Crouch-Dodson \(May 16, 2025 14:18 CDT\)](#)

Email: taylor.crouchdodson@canopyrootsmn.com

Depiction of Premises

CHEROKEE AVE



Depiction of Building Site

