

# CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS  
MAYOR

Agenda Item No. 5

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT

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

December 11, 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 707 EAST KENSINGTON ROAD, 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 707 East Kensington Road, Los Angeles, CA 90026, in Council District 1 (CD1).

**BACKGROUND**

Council Motion C.F. 24-0685, 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 Little Friends Head Start since the 1980's. The current lease (C-80665) has been in holdover status since 1995. 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.

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**

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 Little Friends 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. (ECE) has operated as a trusted partner of the City at this location since the 1980's, 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 707 E. Kensington Road, Los Angeles, CA 90026, under the terms and conditions substantially outlined in this report.

 For

Tony M. Royster  
General Manager

Attachments: Term Sheet  
CBA

## LEASING TERM SHEET

MFC DATE	December 11, 2025
LANDLORD	City of Los Angeles
ADDRESS	111 E. 1st 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	707 East Kensington Road, Los Angeles, CA 90026
AGREEMENT TYPE	Lease
USE	Childcare Center
SQUARE FEET	Approximately 1,841 square feet
TERM	Initial five (5) year term
EARLY POSSESSION	None
RENT START DATE	None
LEASE START DATE	Upon City Clerk Attestation
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	Lessee shall be responsible for any and all costs, expenses and liabilities.
TENANT IMPROVEMENTS	Lessee shall be financially responsible for the cost of any needed tenant improvements. Any repairs, alterations or other improvements required from the specific use of their portion of the premises shall be performed by the Tenant at their sole cost and expense. City Approval is required for any alterations or improvements.
PARKING	N/A
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 (City)	Lessee shall be responsible for insurance. Tenant shall indemnify and hold harmless the City. Appropriate insurance coverage to be determined by the City Risk Management Division.
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. A provision will be included in the lease requiring reports from ECE on outreach efforts
PRINT:	Marcie Houchen

SIGNATURE:

Marcie Howchen

# Audit trail

## Details

FILE NAME LEASING TERM SHEET - 707 East Kensington - -ECE.docx - 7/2/25, 9:05 AM

STATUS ● Signed

STATUS TIMESTAMP 2025/07/02  
16:18:37 UTC

## Activity



SENT

frank.chander@ lacity.org **sent** a signature request to:  
• Marcie Houchen (mhouchen@ foundationheadstart.org)

2025/07/02  
16:05:55 UTC



SIGNED

**Signed** by Marcie Houchen (mhouchen@ foundationheadstart.org)

2025/07/02  
16:18:37 UTC



COMPLETED

This document has been signed by all signers and is **complete**

2025/07/02  
16:18:37 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**

<b>I. Proposed Lease Terms and Conditions</b>	
Facility Location:	707 East Kensington Road, Los Angeles, CA 90026 (Head Start/State Preschool – Childcare Center) in Council District 1
Lessee:	Foundation for Early Childhood Education (ECE), Inc.
Council File Reference:	C.F. 24-0685 (Adopted by City Council on 10/01/2024)
Space Assignment:	Approximately 1,841 square feet (APN# 5405-024-900)
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:	\$3.01 per square foot or \$66,496.92 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.
<b>II. History and Current Services</b>	
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.

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

Current Services:	Little Friends, Head Start/State Preschool, serves up to 16 preschool children, ages three to five. Eligibility for enrollment is targeted to serve the most vulnerable children in the community. Children can be eligible 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.
-------------------	---

**III. Community Benefits Analysis**

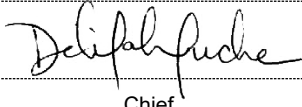

Value of Direct Services:	A. <u>Value of Dedicated Staff</u> : \$301,284.00		
	<u>Staff/Benefit</u>	<u>Rate</u>	<u>Annual Value</u>
	Fringe Benefits	\$5,867.58 per month for 12 months	\$70,411.00
	Teacher	\$5,200 per month for 10 months	52,000.00
	Assistant Teacher	\$3,771.80 per month for 10 months	37,718.00
	Classroom Aide	\$3,679.90 per month for 10 months	36,799.00
	Supporting Staff	\$2,749.17 per month for 12 months	32,990.00
	Coordinators	\$2,539.92 per month for 12 months	30,479.00
	Family Services Associate	\$1,195.58 per month for 12 months	14,347.00
	Child Development Specialist Supervisor	\$915.58 per month for 12 months	10,987.00
	Office Assistants	\$737.42 per month for 12 months	8,849.00
	Maintenance Personnel	\$558.75 per month for 12 months	6,705.00
	<b>Total</b>	<b>\$301,284.00</b>	

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

	<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															
Service	Rate	Annual Value																							
Consultants	\$750 per month for 12 months	\$9,000.00																							
Total		\$9,000.00																							
Value of Operational Budget:	<p>C. <u>Value of Operational Budget</u>: \$256,200.00</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>\$14,500 per month</td> <td>\$174,000.00</td> </tr> <tr> <td>Maintenance</td> <td>\$4,000 per month</td> <td>48,000.00</td> </tr> <tr> <td>Utilities</td> <td>\$1,100 per month</td> <td>13,200.00</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>\$256,200.00</td> </tr> </tbody> </table>	Item	Rate	Annual Value	Printing, Food, Janitorial, and Classroom Supplies	\$14,500 per month	\$174,000.00	Maintenance	\$4,000 per month	48,000.00	Utilities	\$1,100 per month	13,200.00	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		\$256,200.00
Item	Rate	Annual Value																							
Printing, Food, Janitorial, and Classroom Supplies	\$14,500 per month	\$174,000.00																							
Maintenance	\$4,000 per month	48,000.00																							
Utilities	\$1,100 per month	13,200.00																							
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		\$256,200.00																							
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															
Item	Annual Value																								
Child and Adult Care Food Program	\$21,026.00																								
Volunteer Time	10,000.00																								
Total		\$31,026.00																							
Total Community Benefits:	<b><u>\$597,510.00</u></b> annually (=A+B+C+D above)																								
Market Value for Leased Space:	<b><u>\$66,496.92</u></b> annually																								

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

Benefits Finding and Recommended Action:	<p>Community benefits estimated at <b><u>\$597,510.00</u></b> annually exceed the annual market value of <b><u>\$66,496.92</u></b> for the leased space by <b><u>\$531,013.08</u></b>.</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>
--	---

0220-05479-0056	Aira Wada		
Work Assignment Number	Analyst	Chief	Assistant CAO

YC:AW:05250042

Release Date: 05/05/2025