

0150-12830-0000

**TRANSMITTAL**

|  |                  |   |
|--|------------------|---|
| TO<br>The City Council                 | DATE<br>10-16-24 | COUNCIL FILE NO.<br>24-0872<br>15-1439-S2 |
| FROM<br>Municipal Facilities Committee |                  | COUNCIL DISTRICT<br>8                     |

The attached report from the Department of General Services (GSD) was waived by the Municipal Facilities Committee (MFC) and is hereby transmitted to Council for consideration.

Adoption of the report recommendations would authorize GSD to execute a purchase and sale agreement to sell the property at 710 East 111<sup>th</sup> Place (Property), in Council District 8, to Kedren Community Health Inc. (Kedren), at no cost, in exchange for a community benefit, subject to City Attorney approval as to form. The Property was originally acquired by the City at no cost from Kedren to comply with grant provisions. Kedren now requires the Property to comply with the new grant award for the construction of a Children Community Care Village.

**Fiscal Impact:** There is no additional impact to the General Fund. Kedren will pay for costs associated with the sale of the property including escrow costs, new legal description fees, and costs associated with the filing of a notice of exemption under the California Environmental Quality Act. The Office of the City Administrative Officer conducted a Community Benefits Analysis and determined that the value of mental health services provided to the community, estimated at \$71.3 million annually, exceeds the market value of \$8.7 million for the property.

  
for Matthew W. Szabo  
City Administrative Officer

MWS:ACG:05250040

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: October 16, 2024

CAO File No. 0150-12830-0000  
Council File No. 24-0872  
15-1439-S2  
Council District: 8

To: Municipal Facilities Committee

From: Staff, Office of the City Administrative Officer *Albert C. Griego*

Subject: **DIRECT SALE OF SURPLUS PROPERTY – LOCATED AT 710 EAST 111TH PLACE IN COUNCIL DISTRICT 8**

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**RECOMMENDATIONS**

That the Municipal Facilities Committee recommend the following to the City Council, subject to the approval of the Mayor:

1. Determine in accordance with Los Angeles Administrative Code Division 7, Chapter 1, Article 4 Section 7.27, that the sale of City-owned property is in the public interest;
2. Authorize the Department of General Services, with the assistance of the City Attorney, to execute a purchase and sale agreement and all documents necessary to effectuate the transfer of the property at 710 East 111th Place in Council District 8 to Kedren Health Inc., based on the terms specified in the Findings Section of this report for the sale of the Property;
3. Instruct the City Attorney to prepare, execute and process an ordinance relative to the sale of the property at 710 East 111th Place, without notice of sale or advertisement of bids, to Kedren Community Health Center, Inc. at no cost;
4. Instruct the Department of General Services to complete the transactions outlined in the ordinance, and process the necessary documentation to execute the sale, as directed by the Los Angeles Administrative Code and as approved to form by the City Attorney;
5. Determine that the sale of the Property for Kedren's project is statutorily exempt from California Environmental Quality Act under Section 5960.3 (b), applicable to a facility project being funded in part by the California Behavioral Health Continuum Infrastructure Program funds, that meets all applicable requirements; and,
6. Authorize the Bureau of Engineering (BOE) to receive and deposit funds provided by Kedren to cover the cost of creating a new legal description and a Notice of Exemption under the California Environmental Quality Act into BOE's Special Services Fund 682, Department 50, Revenue Source Code No. 530100.

## SUMMARY

At its meeting of August 14, 2024, the City Council approved a Motion (Harris-Dawson - McCosker-C.F 24-0872) requesting that the City-owned property located at 710 East 111th Place (Property) in Council District 8, be declared exempt-surplus property, and authorized the transfer of the Property to Kedren Community Health, Inc. (Kedren) for use by the County of Los Angeles Department of Mental Health, and instructed the Department of General Services (GSD) to execute a Purchase and Sales Agreement.

Since 1965, Kedren, a 501(c)3 non-profit organization, has been a provider of behavioral health services to children, youth, adults and families in the South Los Angeles area. Additionally, Kedren operates a primary health care clinic to residents in underserved communities. Kedren acquired land to construct the Kedren Community Mental Health Center at 710 East 111<sup>th</sup> Place in Los Angeles (Property). On September 28, 1973, Kedren conveyed this unimproved Property to the City at no cost, to comply with eligibility requirements for a mental health services grant. The City entered into a ground lease with Kedren at \$1.00 per year for 50 years, which is set to expire on October 9, 2027, and ownership of all improvements will revert to the City.

Kedren plans to demolish the existing structure and expand their services by constructing a Children's Village on the Property to provide mental health services to children in Los Angeles. Recently, Kedren was awarded approximately \$148 million in grants from the State of California for the construction of the mental health facility. The grant terms, however, require Kedren to own the Property.

At its meeting of September 26, 2023, the City Council adopted the recommendations of the Government Operations Committee instructing the City Administrative Officer (CAO), GSD, with the assistance of the City Attorney, Chief Legislative Analyst, and the Community Investment for Families to report on the feasibility of the direct sale or transfer of the Property back to Kedren in light of the services provided and significant community benefit (C.F. 15-1439-S2). In October 2024, the CAO conducted a Community Benefits Analysis and determined that the value of services provided to the community, estimated at \$71.3 million annually, exceeds the market value of \$8.7 million for the Property.

In July 2024, the Bureau of Engineering (BOE), conducted a review of the proposed sale and had no objection, subject to a half right-of-way; roadway widening; and that no structure be constructed over the active sewer line without approval. BOE also reviewed the State's Seismic Hazard Maps and City records for information and reports that, although the site is within a Liquefaction Zone, there are no definitive indicators if the Property will be affected by a natural disaster. BOE further determined that the sale of the property is exempt under California Environmental Quality Act, under Welfare and Institutions Code Section 5960.3 granted to a facility project funded in part by the California Behavioral Health Continuum Infrastructure Program.

In a letter dated August 19, 2024, the City Planning Department reported that the proposed sale and intended use is consistent with the City's Limited Industrial General Plan in accordance with Charter Section 556 and 558, in that the sale of the Property is in substantial conformance with the objectives of the Southeast Los Angeles Community Plan.

In a letter dated September 12, 2024, the State of California Department of Housing and Community Development affirmed Council's determination that the Property qualifies as exempt surplus land under Government Code Section 54221(f)1(D) because the Property will be transferred to another local, state or federal agency, or to a third-party intermediary for future dedication for the receiving agency's use. Kedren will serve as the third-party intermediary, and under a separate agreement the Property will serve Los Angeles County Department of Mental Health clients at the time of transfer.

Pursuant to Los Angeles Administrative Code (LAAC) Section 7.22 (d), the City Administrative Officer reviewed the proposed direct sale and recommends approval of the sale and the attached ordinances prepared by GSD, which state the terms and conditions, legal description and recommendations for reservations and/or easements that should be retained by the City, subject to approval by the City Attorney as to form and legality. Additional discussion is included in the Findings section of this report.

To the best of our knowledge, the proposed sale is in accordance with Charter Section 385 Sale of Property; LAAC Section 7.22 Recommendations Required of City Departments; 7.27 Private Sale, and California Government Code Section 54220 Surplus Land, which establish the basic guidelines for the sale of City-owned surplus property.

## **FINDINGS**

### **1. Background**

On September 28, 1973, the City acquired the Property from Kedren at no cost to comply with the terms of a grant award for the construction of the Kedren Community Mental Health Center. The City then entered into a 50-year lease with Kedren for \$1.00, which will expire on October 9, 2027. All improvements on the Property are owned by Kedren, and ownership of these improvements will revert to the City upon expiration of the ground lease. The Property is currently vacant and not operational.

Kedren is the recipient of \$148 million grant from the California Behavioral Health Continuum Infrastructure Program (\$57.5 million) and the Mental Health Services Oversight and Accountability Innovation Grant (\$91 million) to build a new facility that will provide behavioral health treatment resources to children and their families. Kedren expressed interest in acquiring the Property to comply with the terms of this new grant award. Kedren proposes to demolish the current structure and construct a new facility, the Kedren Children's Community Care Village to serve Los Angeles County Department of Mental Health clients.

Kedren will partner with community-based organizations, such as churches, homeless shelters, and neighborhood organizations, to conduct outreach and refer individuals in need of mental health services. Kedren will provide 24 transitional housing units at below-market rate for families experiencing homelessness. Kedren will open its athletic gym after-hours and on weekends to the community at no cost.

GSD's appraisal report of the Property, dated March 13, 2024, determined a market value of \$10.73M for Fee Simple Interest or \$8.72 million for Leased Fee Interest for land of 149,408 square feet and building rentable area of 42,140 square feet. The appraisal notes that the property is in poor condition, and in need of complete roof replacement, HVAC, plumbing and electrical repairs, and interior drywall and floor replacement. Under the terms of the proposed sale, Kedren will pay for the costs associated with surveying and the California Environmental Quality Act.

In October 2024, the CAO conducted a Community Benefits Analysis and determined that the value of services provided to the community is \$71.3 million annually.

## **2. Public Interest**

In accordance with Los Angeles Administrative Code Division 7, Chapter 1, Article 4 Section 7.27, the Council may determine that the sale of City-owned property is in the public interest or necessity. In this event, the Council may, by ordinance with two-thirds vote, authorize the sale of City-owned property, without notice of sale or advertisement for bids, upon review and recommendation by the City Administrative Officer. The sale of the property will allow Kedren to construct the Kedren's Children Community Care Village, as a result of a grant award of approximately \$148 million from the California Behavioral Health Continuum Infrastructure Program (\$57.5 million) and from the Mental Health Services Oversight and Accountability Innovation Grant (\$91 million).

## **3. Terms of Sale**

The following are the terms of the sale as described in the Ordinance:

- The sale price of the property will be at no cost to the buyer (Kedren). However, the sales agreement will require a public benefit be provided.
- The property will be sold in "As Is and with all faults" condition.
- A deed restriction shall be recorded against the property to ensure there is a continuing community benefit through its use as a mental health services facility for children in the County of Los Angeles for a minimum of 30 years.

#### **4. Property Description**

The Property for sale is City property located at 710 East 111th Place within the Southeast Los Angeles Community Plan in Council District 8. The property has a one-story irregular-shaped interior structure of 42,140 square feet built in 1977 as a medical office building. The land is 149,408 square feet or 3.43 acres, with 99 parking spaces and is zoned M1 Limited Industrial, with APN 6071-022-902.

#### **FISCAL IMPACT STATEMENT**

The proposed sale of City-owned property, originally acquired at no-cost, located at 710 East 111th Place in Council District 8, will be sold at no-cost to the previous owner, Kedren Community Health, Inc. (Kedren). Kedren is a recipient of a \$148 million grant for the construction of a mental health facility that serves children and requires Kedren to own the property. A Community Benefits Analysis conducted by this Office determined that the services that will be provided on are valued at \$71.3 million annually, which exceeds the market value of the property of \$8.7 million. As part of the proposed sale, Kedren will pay for all escrow costs associated with the sale. There is no additional impact to the General Fund.

#### **FINANCIAL POLICIES STATEMENT**

The recommendations stated in this report comply with the City's Financial Policies in that a Community Benefits Analysis concluded that the value of the proposed services exceeds the fair market value of the property.

*MWS:ACG:05250039*

Attachments

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

**DATE:** October 8, 2024

**TO:** Matthew W. Szabo, City Administrative Officer  
Office of the City Administrative Officer  
  
Attention: Delilah Puche, Chief Administrative Analyst

**FROM:** Tony M. Royster, General Manager   
Department of General Services

**SUBJECT:** **REVIEW OF PROPOSED DIRECT SALE OF PROPERTY AT 710 E. 111<sup>TH</sup> PLACE, LOS ANGELES TO KEDREN COMMUNITY HEALTH CENTER INC.**

The Department of General Services, Real Estate Services Division (RES) is in the process of selling 710 E. 111<sup>th</sup> Place, Los Angeles, CA (“Property”) through a direct sale to Kedren Community Health Center Inc. (Kedren) at the request of Council District 8. The proposed sale is in compliance with Government Code Section 54220. Most surplus property is sold at a public auction to the highest bidder. In some cases, as defined in Los Angeles Administrative Code (LAAC) Section 7.27, the “Council may determine that the public interest or necessity requires the sale, conveyance, or exchange of real property owned by the City or...of any City interest in the real property without notice of sale or advertisement for bids. In the event of such determination the Council may, by ordinance adopted by the vote of at least two-thirds of all of its members authorize the execution of such deed...or other instrument as may be necessary to effect such sale...”

Section 7.22 (d) of the LAAC also provides that “...the City Administrative Officer shall review the proposed direct sale and recommend to the Council upon its propriety.”

**Background**

Kedren recently approached the office of Councilmember Marqueece Harris-Dawson requesting the acquisition of the Property through a direct, no-cost sale. In response, and following guidance from the City Attorney’s Office, the Council Office introduced a motion on July 31, 2024, declaring the Property “exempt surplus land” in accordance with the State’s Surplus Land Act. Additionally, GSD has confirmed that the Council Office supports a direct sale or transfer to Kedren at no cost or at below market value, contingent upon a Community Benefit Analysis (CBA) supporting a lower than market value sales price.

Historically, Kedren has made similar requests, however a direct sale was previously unfeasible and not justified under any Surplus Land Act (SLA) exemption. Now, Kedren will be a third-party intermediary/buyer, and the Property will be dedicated for use by the County of Los Angeles for patients served by the Los Angeles County Department of Mental Health. As such, the Property is considered Exempt Surplus Land under the SLA and GSD can proceed with a direct sale to Kedren as the California Department of Housing and Community Development who is tasked with SLA enforcement has approved the Council’s declaration.

A deed restriction shall be recorded against the Property in order to ensure the Property will continue to benefit the community through its use as a mental health services facility for children in the County of Los Angeles for a minimum of 30 years. Kedren intends to construct the Kedren Children's Village on the Property to provide much needed mental health services to children in the County of Los Angeles.

Approximately 47 years ago, Kedren owned the Subject Property and transferred it to the City to comply with eligibility requirements for mental health services grants. The City accepted the Property at no cost and leased it back to Kedren at \$1 per year for fifty years, with the lease expiring in 2027. New grant requirements now stipulate that Kedren must own the Property. Kedren has applied for and been awarded approximately \$148 million in grants for construction (\$57,478,382 from BHCIP and \$90,769,252 from MHSOA Innovation Grant).

### **Request**

GSD requests that the CAO conduct a Community Benefit Analysis (CBA) to justify a direct below market value sale to Kedren by demonstrating that community benefits derived for the next 30 years offset the Property's current market value of \$8,720,000 or other amount as may be determined by your office.

Additionally, your review and recommendations of the proposed direct no cost (or sale for less than market value) to Kedren is requested.

We have attached additional documentation, for your information, showing the necessary approvals obtained in processing the sale of this Property in accordance with LAAC Sections 7.22 and 7.27.

If you have any questions or concerns, feel free to contact Armando Parra, Sales & Acquisitions Assistant Director at (213) 949-7781 or by email at [armando.parra@lacity.org](mailto:armando.parra@lacity.org).

Thank you for your attention to this matter.

Attachments: Surplus Property Documents for Review

cc: Amy Benson, Director of Real Estate  
Albert Griego, Senior Administrative Analyst I  
Aira Wada, Management Assistant.

## SURPLUS PROPERTY (DIRECT SALE) INCLUDED DOCUMENTS FOR CAO'S OFFICE REVIEW

APN: 6071-022-902

ADDRESS: 710 E. 111<sup>th</sup> Place

|    |   |                                   |
|----|---|-----------------------------------|
| 1  | Assessor Parcel Map<br>Property Profile Report  | Exhibit I                         |
| 2  | Exempt Surplus Land Declaration – City<br>Council Motion and Approval 24-0872   | Exhibit II                        |
| 3  | State Department of Housing and Community<br>Development Approval of Exempt Surplus Land<br>Declaration.                    | Exhibit III                       |
| 4  | Title Report  | Exhibit IV                        |
| 5  | Legal Description   | Exhibit V                         |
| 6  | BOE District Engineer Report<br>BOE Geotechnical Report/Property Disclosures<br>BOE Environment Report -Notice of Exemption | Exhibit VI                        |
| 7  | Planning Approval   | Exhibit VII                       |
| 8  | Mayor's Office Notification   | Exhibit VIII                      |
| 9  | Appraisal Reports   | Exhibit IX                        |
| 10 | Ordinance   | Exhibit X                         |
| 11 | Detail on Source of Funds/Account used to<br>purchase property  | N/A Property acquired at no cost. |
| 12 | Community Contributions Summary by Kedren   | Exhibit XI                        |
| 13 | Innovation Project Application by Kedren  | Exhibit XII                       |
| 14 | Kedren Lease C-65588  | Exhibit XIII                      |
| 15 | Detail on Fund, Account to deposit sale proceeds  | Exhibit XIV                       |

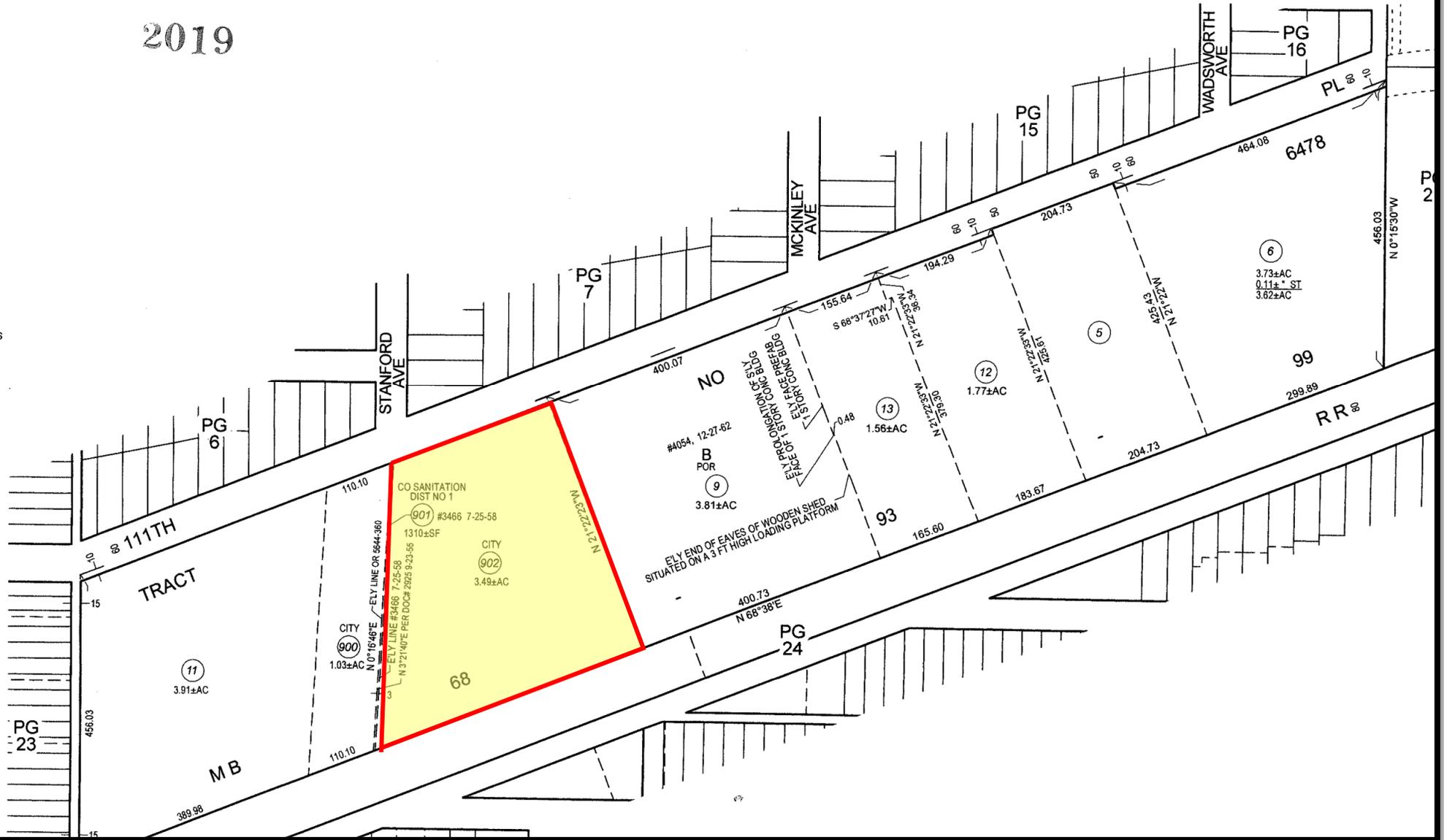
# EXHIBIT I

|      |             |                    |            |                              |                                     |                                     |   |                                 |           |   |
|------|-------------|--------------------|------------|------------------------------|-------------------------------------|-------------------------------------|---|---------------------------------|-----------|---|
| 6071 | 22<br>SHEET | P. A.<br>6071 - 22 | TRA<br>461 | REVISED<br>5-15-61<br>2-4-63 | 710121301<br>710716304<br>711020402 | 720113601<br>730206214<br>731017505 | 740529601<br>740829202<br>2001030807003001-14 | 20130422<br>2019022721001001-26 | SEARCH NO | OFFICE OF THE ASSESSOR<br>COUNTY OF LOS ANGELES<br>COPYRIGHT © 2002 |
|------|-------------|--------------------|------------|------------------------------|-------------------------------------|-------------------------------------|---|---------------------------------|-----------|---|

2019



MAPPING AND GIS  
SERVICES  
SCALE 1" = 150'





# City of Los Angeles Department of City Planning

EXHIBIT I

## 9/6/2024 PARCEL PROFILE REPORT

### PROPERTY ADDRESSES

710 E 111TH PL

### ZIP CODES

90059

### RECENT ACTIVITY

PAR-2024-5381-CM

### CASE NUMBERS

CPC-2010-2771-CRA

CPC-2008-1553-CPU

CPC-1990-346-CA

CPC-1986-827-GPC

CPC-1983-506

ORD-188310

ORD-185925

ORD-185924-SA3595

ORD-171682

ORD-171681

ORD-167354-SA6408

ORD-162128

ZA-19XX-21315

BZA-2218-C

ENV-2008-1780-EIR

ED-73-2409-781-CUZ

CFG-1500

### Address/Legal Information

|                              |                      |
|------------------------------|----------------------|
| PIN Number                   | 087A207 7            |
| Lot/Parcel Area (Calculated) | 154,549.4 (sq ft)    |
| Thomas Brothers Grid         | PAGE 704 - GRID E6   |
| Assessor Parcel No. (APN)    | 6071022902           |
| Tract                        | TR 6478              |
| Map Reference                | M B 68-93/99         |
| Block                        | None                 |
| Lot                          | FR LT B              |
| Arb (Lot Cut Reference)      | 4                    |
| Map Sheet                    | 087A207<br>088-5A207 |

### Jurisdictional Information

|                          |                                |
|--------------------------|--------------------------------|
| Community Plan Area      | Southeast Los Angeles          |
| Area Planning Commission | South Los Angeles              |
| Neighborhood Council     | Empowerment Congress Southeast |
| Council District         | CD 8 - Marqueece Harris-Dawson |
| Census Tract #           | 2409.02                        |
| LADBS District Office    | Los Angeles Metro              |

### Permitting and Zoning Compliance Information

|                       |      |
|-----------------------|------|
| Administrative Review | None |
|-----------------------|------|

### Planning and Zoning Information

|                                    |   |
|------------------------------------|---|
| Special Notes                      | None  |
| Zoning                             | M1-1-CPIO   |
| Zoning Information (ZI)            | ZI-2517 Al Fresco Ordinance within Planning Overlay and/or the Coastal Zone (Ordinance 188073)<br>ZI-2498 Local Emergency Temporary Regulations - Time Limits and Parking Relief - LAMC 16.02.1<br>ZI-2452 Transit Priority Area in the City of Los Angeles<br>ZI-2452 Transit Priority Area in the City of Los Angeles<br>ZI-2374 State Enterprise Zone: Los Angeles<br>ZI-1231 Specific Plan: South Los Angeles Alcohol Sales<br>ZI-2483 Community Plan Implementation Overlay: Southeast Los Angeles |
| General Plan Land Use              | Limited Industrial  |
| General Plan Note(s)               | Yes   |
| Hillside Area (Zoning Code)        | No  |
| Specific Plan Area                 | SOUTH LOS ANGELES ALCOHOL SALES   |
| Subarea                            | None  |
| Special Land Use / Zoning          | None  |
| Historic Preservation Review       | No  |
| Historic Preservation Overlay Zone | None  |
| Other Historic Designations        | None  |
| Mills Act Contract                 | None  |
| CDO: Community Design Overlay      | None  |
| CPIO: Community Plan Imp. Overlay  | Southeast Los Angeles   |
| Subarea                            | Compatible Industrial   |
| CUGU: Clean Up-Green Up            | None  |

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(\* ) - APN Area is provided "as is" from the Los Angeles County's Public Works, Flood Control, Benefit Assessment.

|   |   |
|---|---|
| HCR: Hillside Construction Regulation           | No  |
| NSO: Neighborhood Stabilization Overlay         | No  |
| POD: Pedestrian Oriented Districts              | None  |
| RBP: Restaurant Beverage Program Eligible Area  | None  |
| RFA: Residential Floor Area District            | None  |
| RIO: River Implementation Overlay               | No  |
| SN: Sign District                               | No  |
| AB 2334: Very Low VMT                           | Yes   |
| AB 2097: Reduced Parking Areas Streetscape      | Yes   |
| Adaptive Reuse Incentive Area                   | No  |
| Affordable Housing Linkage Fee                  | None  |
| Residential Market Area                         | Low   |
| Non-Residential Market Area                     | Low   |
| Transit Oriented Communities (TOC)              | Tier 3  |
| ED 1 Eligibility                                | Not Eligible  |
| RPA: Redevelopment Project Area                 | None  |
| Central City Parking                            | No  |
| Downtown Parking                                | No  |
| Building Line                                   | None  |
| 500 Ft School Zone                              | No  |
| 500 Ft Park Zone                                | No  |
| <b>Assessor Information</b>                     |   |
| Assessor Parcel No. (APN)                       | 6071022902  |
| Ownership (Assessor)                            |   |
| Owner1  | L A CITY  |
| Address   | 0<br>0  |
| Ownership (Bureau of Engineering, Land Records) |   |
| Owner   | LOS ANGELES CITY ATTN: GEN. SRVCS., ASSET MGMNT. DIV. |
| Address   | 111 E FIRST ST #201<br>LOS ANGELES CA 90012           |
| APN Area (Co. Public Works)*                    | 3.490 (ac)  |
| Use Code  | 8800 - Miscellaneous - Government Owned Property      |
| Assessed Land Val.                              | \$116,814   |
| Assessed Improvement Val.                       | \$0   |
| Last Owner Change                               | 09/28/1973  |
| Last Sale Amount                                | \$0   |
| Tax Rate Area                                   | 461   |
| Deed Ref No. (City Clerk)                       | 8-156<br>4-654  |
| Building 1                                      | No data for building 1                                |
| Building 2                                      | No data for building 2                                |
| Building 3                                      | No data for building 3                                |
| Building 4                                      | No data for building 4                                |
| Building 5                                      | No data for building 5                                |
| Rent Stabilization Ordinance (RSO)              | No [APN: 6071022902]                                  |
| <b>Additional Information</b>                   |   |
| Airport Hazard                                  | None  |
| Coastal Zone                                    | None  |
| Farmland  | Area Not Mapped                                       |
| Urban Agriculture Incentive Zone                | YES   |
| Very High Fire Hazard Severity Zone             | No  |
| Fire District No. 1                             | No  |

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 (\*) - APN Area is provided "as is" from the Los Angeles County's Public Works, Flood Control, Benefit Assessment.

|   |   |
|---|---|
| Flood Zone  | Outside Flood Zone  |
| Watercourse   | No  |
| Methane Hazard Site                                 | None  |
| High Wind Velocity Areas                            | No  |
| Special Grading Area (BOE Basic Grid Map A-13372)   | No  |
| Wells   | None  |
| <b>Environmental</b>                                |   |
| Santa Monica Mountains Zone                         | No  |
| Biological Resource Potential                       | None  |
| Mountain Lion Potential                             | None  |
| <b>Seismic Hazards</b>                              |   |
| Active Fault Near-Source Zone                       |   |
| Nearest Fault (Distance in km)                      | 2.23686624  |
| Nearest Fault (Name)                                | Newport - Inglewood Fault Zone (Onshore)                            |
| Region  | Transverse Ranges and Los Angeles Basin                             |
| Fault Type  | B   |
| Slip Rate (mm/year)                                 | 1.00000000  |
| Slip Geometry                                       | Right Lateral - Strike Slip   |
| Slip Type   | Poorly Constrained  |
| Down Dip Width (km)                                 | 13.00000000   |
| Rupture Top   | 0.00000000  |
| Rupture Bottom                                      | 13.00000000   |
| Dip Angle (degrees)                                 | 90.00000000   |
| Maximum Magnitude                                   | 7.10000000  |
| Alquist-Priolo Fault Zone                           | No  |
| Landslide   | No  |
| Liquefaction  | Yes   |
| Preliminary Fault Rupture Study Area                | No  |
| Tsunami Hazard Area                                 | No  |
| <b>Economic Development Areas</b>                   |   |
| Business Improvement District                       | None  |
| Hubzone   | None  |
| Jobs and Economic Development Incentive Zone (JEDI) | None  |
| Opportunity Zone                                    | No  |
| Promise Zone  | None  |
| State Enterprise Zone                               | LOS ANGELES STATE ENTERPRISE ZONE                                   |
| <b>Housing</b>                                      |   |
| Direct all Inquiries to                             | Los Angeles Housing Department                                      |
| Telephone   | (866) 557-7368  |
| Website   | <a href="https://housing.lacity.org">https://housing.lacity.org</a> |
| Rent Stabilization Ordinance (RSO)                  | No [APN: 6071022902]  |
| Ellis Act Property                                  | No  |
| AB 1482: Tenant Protection Act                      | No  |
| Housing Crisis Act Replacement Review               | Yes   |
| Housing Element Sites                               |   |
| HE Replacement Required                             | N/A   |
| SB 166 Units  | N/A   |
| Housing Use within Prior 5 Years                    | No  |
| <b>Public Safety</b>                                |   |
| Police Information                                  |   |
| Bureau  | South   |
| Division / Station                                  | Southeast   |
| Reporting District                                  | 1844  |

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Fire Information

|                             |       |
|-----------------------------|-------|
| Bureau                      | South |
| Battalion                   | 13    |
| District / Fire Station     | 64    |
| Red Flag Restricted Parking | No    |

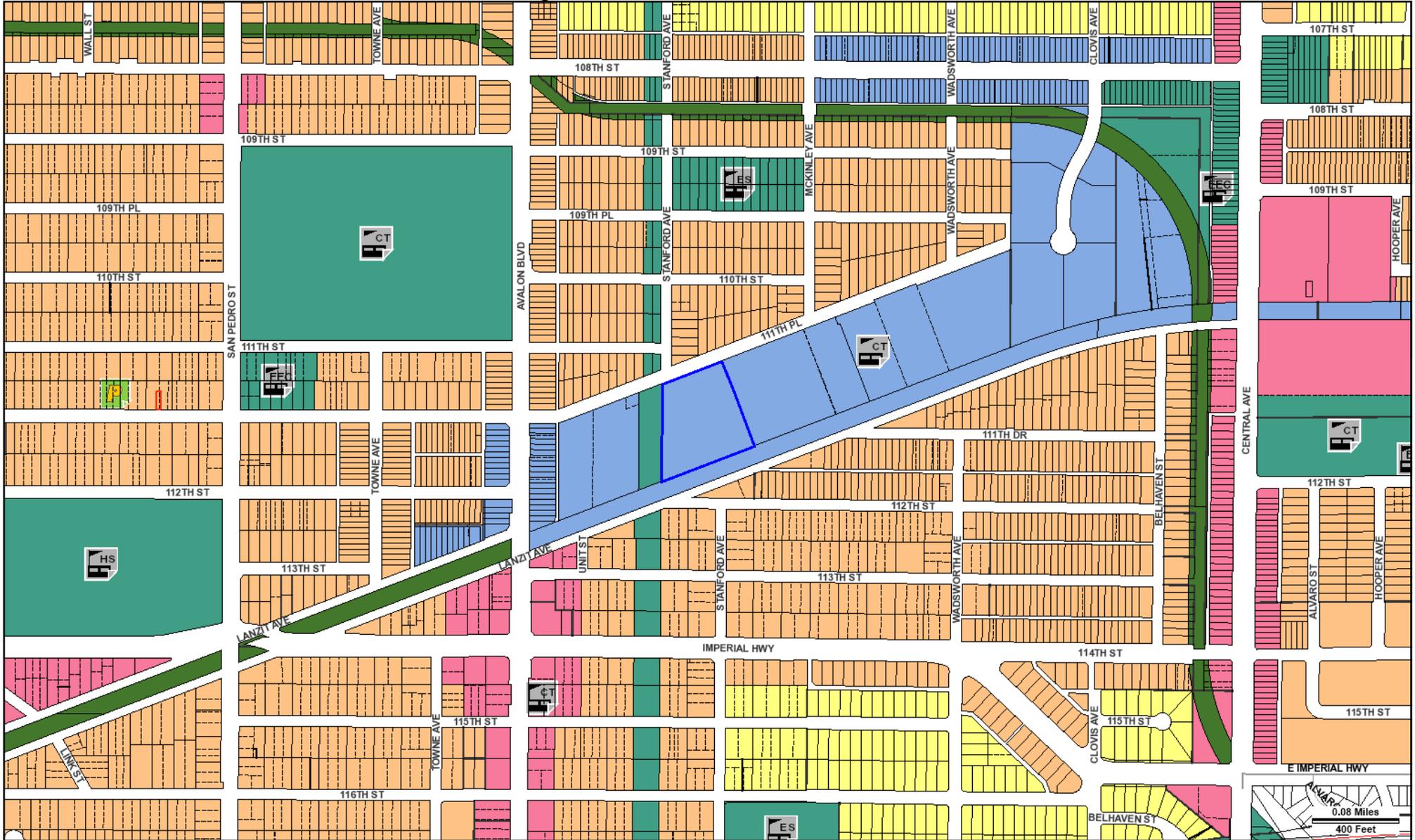
## CASE SUMMARIES

Note: Information for case summaries is retrieved from the Planning Department's Plan Case Tracking System (PCTS) database.

|                          |   |
|--------------------------|---|
| Case Number:             | CPC-2010-2771-CRA   |
| Required Action(s):      | CRA-COMMUNITY REDEVELOPMENT AGENCY  |
| Project Descriptions(s): | A PRELIMINARY PLAN FOR A PROPOSED AMENDMENT TO THE WATTS/WATTS CORRIDORS REDEVELOPMENT PLAN.  |
| Case Number:             | CPC-2008-1553-CPU   |
| Required Action(s):      | CPU-COMMUNITY PLAN UPDATE   |
| Project Descriptions(s): | SOUTHEAST LOS ANGELES COMMUNITY PLAN UPDATE   |
| Case Number:             | CPC-1990-346-CA   |
| Required Action(s):      | CA-CODE AMENDMENT   |
| Project Descriptions(s): | AMENDMENT TO THE L.A.M.C. TO - DRAFT AN ORDINANCE TO PROHIBIT THE GRANTING OF A CONDITIONAL USE PERMIT FOR THE OFF-SITE SALE OF ALCOHOLIC BEVERAGES (LOURDES GREEN/KAREN HOO) |
| Case Number:             | CPC-1986-827-GPC  |
| Required Action(s):      | GPC-GENERAL PLAN/ZONING CONSISTENCY (AB283)   |
| Project Descriptions(s): | PLAN AMENDMENTS AND ZONE CHANGES FOR PROPERTIES WITHIN THE SOUTHEAST LOS ANGELES DISTRICT PLAN, IN CONNECTION WITH THE CITY'S GENERAL PLAN/ZONING CONSISTENCY PROGRAM 1B283   |
| Case Number:             | CPC-1983-506  |
| Required Action(s):      | Data Not Available  |
| Project Descriptions(s): | SPECIFIC PLAN ORD FOR INTERIM CONDITIONAL USE APPROVAL FOR ESTABLISHMENTS FOR THE SALE OF ALCOHOL WHICH ARE GENERALLY LOCATED IN THE SOUTH CENTRAL AREA OF THE CITY           |
| Case Number:             | ZA-19XX-21315   |
| Required Action(s):      | Data Not Available  |
| Project Descriptions(s): |   |
| Case Number:             | BZA-2218-C  |
| Required Action(s):      | C-PRIVATE STREET MODIFICATIONS (3RD REQUEST)  |
| Project Descriptions(s): | Data Not Available  |
| Case Number:             | ENV-2008-1780-EIR   |
| Required Action(s):      | EIR-ENVIRONMENTAL IMPACT REPORT   |
| Project Descriptions(s): | SOUTHEAST LOS ANGELES COMMUNITY PLAN UPDATE   |
| Case Number:             | ED-73-2409-781-CUZ  |
| Required Action(s):      | CUZ-ALL OTHER CONDITIONAL USE CASES   |
| Project Descriptions(s): | Data Not Available  |

## DATA NOT AVAILABLE

ORD-188310  
ORD-185925  
ORD-185924-SA3595  
ORD-171682  
ORD-171681  
ORD-167354-SA6408  
ORD-162128  
CFG-1500



Address: 710 E 111TH PL  
 APN: 6071022902  
 PIN #: 087A207 7

Tract: TR 6478  
 Block: None  
 Lot: FR LT B  
 Arb: 4

Zoning: M1-1-CPIO  
 General Plan: Limited Industrial



# LEGEND

## GENERALIZED ZONING

|  |   |
|--|---|
|  | OS, GW  |
|  | A, RA   |
|  | RE, RS, R1, RU, RZ, RW1   |
|  | R2, RD, RMP, RW2, R3, RAS, R4, R5, PVSP                               |
|  | CR, C1, C1.5, C2, C4, C5, CW, WC, ADP, LASED, CEC, USC, PPSP, MU, NMU |
|  | CM, MR, CCS, UV, UI, UC, M1, M2, LAX, M3, SL, HJ, HR, NI              |
|  | P, PB   |
|  | PF  |

## GENERAL PLAN LAND USE

### LAND USE

#### RESIDENTIAL

|   |                                       |
|---|---------------------------------------|
|    | Minimum Residential                   |
|    | Very Low / Very Low I Residential     |
|    | Very Low II Residential               |
|    | Low / Low I Residential               |
|    | Low II Residential                    |
|    | Low Medium / Low Medium I Residential |
|    | Low Medium II Residential             |
|  | Medium Residential                    |
|  | High Medium Residential               |
|  | High Density Residential              |
|  | Very High Medium Residential          |

#### COMMERCIAL

|   |  |
|---|--|
|  | Limited Commercial                                     |
|  | Limited Commercial - Mixed Medium Residential          |
|  | Highway Oriented Commercial                            |
|  | Highway Oriented and Limited Commercial                |
|  | Highway Oriented Commercial - Mixed Medium Residential |
|  | Neighborhood Office Commercial                         |
|  | Community Commercial                                   |
|  | Community Commercial - Mixed High Residential          |
|  | Regional Center Commercial                             |

### FRAMEWORK

#### COMMERCIAL

|   |                           |
|---|---------------------------|
|  | Neighborhood Commercial   |
|  | General Commercial        |
|  | Community Commercial      |
|  | Regional Mixed Commercial |

#### INDUSTRIAL

|   |                          |
|---|--------------------------|
|  | Commercial Manufacturing |
|  | Limited Manufacturing    |
|  | Light Manufacturing      |
|  | Heavy Manufacturing      |
|  | Hybrid Industrial        |

#### PARKING

|   |                |
|---|----------------|
|  | Parking Buffer |
|---|----------------|

#### PORT OF LOS ANGELES

|   |  |
|---|--|
|  | General / Bulk Cargo - Non Hazardous (Industrial / Commercial) |
|  | General / Bulk Cargo - Hazard                                  |
|  | Commercial Fishing   |
|  | Recreation and Commercial                                      |
|  | Intermodal Container Transfer Facility Site                    |

#### LOS ANGELES INTERNATIONAL AIRPORT

|   |   |
|---|---|
|  | Airport Landside / Airport Landside Support |
|  | Airport Airside                             |
|  | LAX Airport Northside                       |

#### OPEN SPACE / PUBLIC FACILITIES

|   |                                  |
|---|----------------------------------|
|  | Open Space                       |
|  | Public / Open Space              |
|  | Public / Quasi-Public Open Space |
|  | Other Public Open Space          |
|  | Public Facilities                |

#### INDUSTRIAL

|   |                    |
|---|--------------------|
|  | Limited Industrial |
|  | Light Industrial   |

# CIRCULATION

## STREET

-  Arterial Mountain Road
-  Collector Scenic Street
-  Collector Street
-  Collector Street (Hillside)
-  Collector Street (Modified)
-  Collector Street (Proposed)
-  Country Road
-  Divided Major Highway II
-  Divided Secondary Scenic Highway
-  Local Scenic Road
-  Local Street
-  Major Highway (Modified)
-  Major Highway I
-  Major Highway II
-  Major Highway II (Modified)

-  Major Scenic Highway
-  Major Scenic Highway (Modified)
-  Major Scenic Highway II
-  Mountain Collector Street
-  Park Road
-  Parkway
-  Principal Major Highway
-  Private Street
-  Scenic Divided Major Highway II
-  Scenic Park
-  Scenic Parkway
-  Secondary Highway
-  Secondary Highway (Modified)
-  Secondary Scenic Highway
-  Special Collector Street
-  Super Major Highway

## FREEWAYS

-  Freeway
-  Interchange
-  On-Ramp / Off- Ramp
-  Railroad
-  Scenic Freeway Highway

## MISC. LINES

-  Airport Boundary
-  Bus Line
-  Coastal Zone Boundary
-  Coastline Boundary
-  Collector Scenic Street (Proposed)
-  Commercial Areas
-  Commercial Center
-  Community Redevelopment Project Area
-  Country Road
-  DWP Power Lines
-  Desirable Open Space
-  Detached Single Family House
-  Endangered Ridgeline
-  Equestrian and/or Hiking Trail
-  Hiking Trail
-  Historical Preservation
-  Horsekeeping Area
-  Local Street
-  MSA Desirable Open Space
-  Major Scenic Controls
-  Multi-Purpose Trail
-  Natural Resource Reserve
-  Park Road
-  Park Road (Proposed)
-  Quasi-Public
-  Rapid Transit Line
-  Residential Planned Development
-  Scenic Highway (Obsolete)
-  Secondary Scenic Controls
-  Secondary Scenic Highway (Proposed)
-  Site Boundary
-  Southern California Edison Power
-  Special Study Area
-  Specific Plan Area
-  Stagecoach Line
-  Wildlife Corridor

## POINTS OF INTEREST

|  |  |  |
|--|--|--|
|  Alternative Youth Hostel (Proposed)    |  Horticultural Center                     |  Public Elementary School                 |
|  Animal Shelter                         |  Hospital                                 |  Public Elementary School (Proposed)      |
|  Area Library                           |  Hospital (Proposed)                      |  Public Golf Course                       |
|  Area Library (Proposed)                | <b>HW</b> House of Worship   |  Public Golf Course (Proposed)            |
|  Bridge                                 | <b>e</b> Important Ecological Area   |  Public Housing                           |
|  Campground                             |  Important Ecological Area (Proposed)     |  Public Housing (Proposed Expansion)      |
|  Campground (Proposed)                  |  Interpretive Center (Proposed)           |  Public Junior High School                |
|  Cemetery                               |  Junior College                           |  Public Junior High School (Proposed)     |
| <b>HW</b> Church   |  MTA / Metrolink Station                  |  Public Middle School                     |
|  City Hall                              |  MTA Station                              |  Public Senior High School                |
|  Community Center                       |  MTA Stop                                 |  Public Senior High School (Proposed)     |
|  Community Library                      | <b>MWD</b> MWD Headquarters  |  Pumping Station                          |
|  Community Library (Proposed Expansion) |  Maintenance Yard                         |  Pumping Station (Proposed)               |
|  Community Library (Proposed)           |  Municipal Office Building                |  Refuse Collection Center                 |
|  Community Park                         | <b>P</b> Municipal Parking lot   |  Regional Library                         |
|  Community Park (Proposed Expansion)    |  Neighborhood Park                        |  Regional Library (Proposed Expansion)    |
|  Community Park (Proposed)              |  Neighborhood Park (Proposed Expansion)   |  Regional Library (Proposed)              |
|  Community Transit Center               |  Neighborhood Park (Proposed)             |  Regional Park                            |
|  Convalescent Hospital                 |  Oil Collection Center                   |  Regional Park (Proposed)                |
|  Correctional Facility                |  Parking Enforcement                    | <b>RPD</b> Residential Plan Development  |
|  Cultural / Historic Site (Proposed)  |  Police Headquarters                    |  Scenic View Site                       |
|  Cultural / Historical Site           |  Police Station                         |  Scenic View Site (Proposed)            |
|  Cultural Arts Center                 |  Police Station (Proposed Expansion)    |  School District Headquarters           |
| <b>DMV</b> DMV Office  |  Police Station (Proposed)              |  School Unspecified Loc/Type (Proposed) |
| <b>DWP</b> DWP   |  Police Training site                   |  Skill Center                           |
|  DWP Pumping Station                  | <b>PO</b> Post Office  |  Social Services                        |
|  Equestrian Center                    |  Power Distribution Station             |  Special Feature                        |
|  Fire Department Headquarters         |  Power Distribution Station (Proposed)  |  Special Recreation (a)                 |
|  Fire Station                         |  Power Receiving Station                |  Special School Facility                |
|  Fire Station (Proposed Expansion)    |  Power Receiving Station (Proposed)     |  Special School Facility (Proposed)     |
|  Fire Station (Proposed)              | <b>C</b> Private College   |  Steam Plant                            |
|  Fire Supply & Maintenance            | <b>E</b> Private Elementary School   |  Surface Mining                         |
|  Fire Training Site                   |  Private Golf Course                    |  Trail & Assembly Area                  |
|  Fireboat Station                     |  Private Golf Course (Proposed)         |  Trail & Assembly Area (Proposed)       |
|  Health Center / Medical Facility     | <b>JH</b> Private Junior High School   | <b>UTL</b> Utility Yard  |
|  Helistop                             | <b>PS</b> Private Pre-School   |  Water Tank Reservoir                   |
|  Historic Monument                    |  Private Recreation & Cultural Facility |  Wildlife Migration Corridor            |
|  Historical / Cultural Monument       | <b>SH</b> Private Senior High School   |  Wildlife Preserve Gate                 |
|  Horsekeeping Area                    | <b>SF</b> Private Special School   |  |
|  Horsekeeping Area (Proposed)         |  Public Elementary (Proposed Expansion) |  |

# SCHOOLS/PARKS WITH 500 FT. BUFFER

|  |  |   |
|--|--|---|
|  Existing School/Park Site |  Planned School/Park Site |  Inside 500 Ft. Buffer |
|--|--|---|

|   |  |  |
|---|--|--|
|  Aquatic Facilities   |  Other Facilities                 |  Opportunity School       |
|  Beaches              |  Park / Recreation Centers        |  Charter School           |
|  Child Care Centers   |  Parks                            |  Elementary School        |
|  Dog Parks            |  Performing / Visual Arts Centers |  Span School              |
|  Golf Course          |  Recreation Centers               |  Special Education School |
|  Historic Sites       |  Senior Citizen Centers           |  High School              |
|  Horticulture/Gardens |  |  Middle School            |
|  Skate Parks          |  |  Early Education Center   |

## COASTAL ZONE

|  |
|--|
|  Coastal Commission Permit Area  |
|  Dual Permit Jurisdiction Area   |
|  Single Permit Jurisdiction Area |
|  Not in Coastal Zone           |

## TRANSIT ORIENTED COMMUNITIES (TOC)

|  |  |
|--|--|
|  Tier 1 |  Tier 3 |
|  Tier 2 |  Tier 4 |

**Note:** TOC Tier designation and map layers are for reference purposes only. Eligible projects shall demonstrate compliance with Tier eligibility standards prior to the issuance of any permits or approvals. As transit service changes, eligible TOC Incentive Areas will be updated.

## WAIVER OF DEDICATION OR IMPROVEMENT

|  |
|--|
|  Public Work Approval (PWA)                |
|  Waiver of Dedication or Improvement (WDI) |

## OTHER SYMBOLS

|   |   |  |
|---|---|--|
|  Lot Line               |  Airport Hazard Zone   |  Flood Zone                          |
|  Tract Line             |  Census Tract          |  Hazardous Waste                     |
|  Lot Cut                |  Coastal Zone          |  High Wind Zone                      |
|  Easement               |  Council District      |  Hillside Grading                    |
|  Zone Boundary          |  LADBS District Office |  Historic Preservation Overlay Zone  |
|  Building Line          |  Downtown Parking      |  Specific Plan Area                  |
|  Lot Split              |  Fault Zone            |  Very High Fire Hazard Severity Zone |
|  Community Driveway     |  Fire District No. 1   |  Wells - Active                     |
|  Building Outlines 2020 |  Tract Map             |  Wells - Inactive                   |
|  Building Outlines 2017 |  Parcel Map            |  |

# EXHIBIT II

GOVERNMENT OPERATIONS

MOTION

The City owns the real property located at 710 East 111<sup>th</sup> Place, Los Angeles CA, 90059 (Assessor's Parcel Number 6071-022-902). This property is the site of Kedren Community Health, Inc. (Kedren) a private, non-profit, public benefit, 501c(3) corporation, with an Acute Psychiatric Hospital & Community Mental Health Program and a Federally Qualified Health Center that provides Primary Care, Wellness Services and Early-Education services to the community.

Ownership of this property is no longer necessary for use by the City and may be declared exempt from the requirements of the California Surplus Land Act (Government Code §54220 et seq.) if it is being transferred to another local, state, or federal agency, or to a third-party intermediary for future dedication for the receiving agency's use.

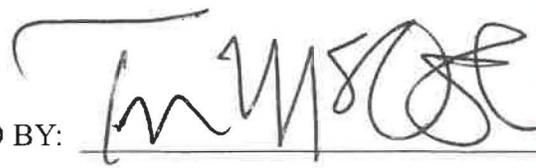
Kedren and the City desire to enter a purchase and sale agreement for the Property so that Kedren can construct the Kedren Children's Village on the Property to provide much-needed mental health services to children in the County of Los Angeles. Kedren will be a third-party intermediary, and the property will be dedicated for use by the County of Los Angeles for patients served by the Los Angeles County Department of Mental Health.

I THEREFORE MOVE that the Council declare the Property located at 710 East 111th Place, Los Angeles CA, 90059, County of Los Angeles, State of California (APN 6071-022-902), as exempt surplus pursuant to Government Code Section 54221(f)(1)(D) because the Property is being transferred to Kedren Community Health, Inc. (Kedren) for use by the County of Los Angeles for patients served by the Los Angeles County Department of Mental Health.

I FURTHER MOVE that the Council approve the sale of the Property to Kedren and that the General Manager of the Department of General Services (GSD), or designee, be directed and authorized to execute a Purchase and Sales Agreement with Kedren.

I FURTHER MOVE that GSD, with the assistance of the City Attorney, be directed to process and execute any closing or administrative documents, or take any related actions as necessary to complete the sale and transfer of the Property to Kedren.

PRESENTED BY:   
MARQUEECE HARRIS-DAWSON  
Councilmember, 8<sup>th</sup> District

SECONDED BY: 

ORIGINAL

  
JUL 31 2024  
JUL 31 2024

HOLLY L. WOLCOTT  
CITY CLERK

City of Los Angeles  
CALIFORNIA

OFFICE OF THE  
CITY CLERK

PETTY F. SANTOS  
EXECUTIVE OFFICER



KAREN BASS  
MAYOR

**Council and Public Services Division**

200 N. SPRING STREET, ROOM 395  
LOS ANGELES, CA 90012  
GENERAL INFORMATION - (213) 978-1133  
FAX: (213)978-1040

PATRICE Y. LATTIMORE  
DIVISION MANAGER

[CLERK.LACITY.ORG](http://CLERK.LACITY.ORG)

**OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL**

**Council File No.:** 24-0872

**Council Meeting Date:** August 14, 2024

**Agenda Item No.:** 14

**Agenda Description:** CONSIDERATION OF MOTION (HARRIS-DAWSON - McOSKER) relative to the sale of property located at 710 East 111th Place (APN 6071-022-902), pursuant to Government Code Section 54221(f)(l)(D), to Kedren Community Health, Inc. for use by the County of Los Angeles for patients served by the Los Angeles County Department of Mental Health.

**Council Action:** GOVERNMENT OPERATIONS COMMITTEE REPORT ADOPTED FORTHWITH

**Council Vote:**

|        |             |     |               |        |               |
|--------|-------------|-----|---------------|--------|---------------|
| YES    | Blumenfield | YES | de León       | YES    | Harris-Dawson |
| YES    | Hernandez   | YES | Hutt          | YES    | Krekorian     |
| ABSENT | Lee         | YES | McOsker       | YES    | Padilla       |
| YES    | Park        | YES | Price Jr.     | ABSENT | Raman         |
| ABSENT | Rodriguez   | YES | Soto-Martínez | YES    | Yaroslavsky   |

HOLLY L. WOLCOTT  
CITY CLERK

Adopted Report(s) Title  
Government Operations Committee Report 8-13-24

# EXHIBIT III

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400, Sacramento, CA 95811  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



September 12, 2024

Armando Parra, Assistant Director  
General Services Division  
City of Los Angeles  
111 E. 1st Street  
Los Angeles, CA 90012

SENT VIA EMAIL TO: [armando.parra@lacity.org](mailto:armando.parra@lacity.org)

Dear Armando Parra:

**RE: HCD's Review of the City of Los Angeles' Determination of Property at 710 East 111<sup>th</sup> Place as "Exempt Surplus Land"**

Thank you for notifying the California Department of Housing and Community Development (HCD) of the City of Los Angeles' (City) determination of 710 East 111<sup>th</sup> Place, Assessor's Parcel Number 6071-022-902 (Property), as "exempt surplus land."

HCD reviewed Council File No. 24-0872 and supporting documents (Documents), pursuant to Section 400 of the Surplus Land Act Guidelines. As explained below, HCD finds that the Property qualifies as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(D).

### **Analysis**

According to the Documents, the City currently leases the Property to Kedren Community Health, Inc. (KCH) for patients served by the Los Angeles County Department of Mental Health (LACDMH). Pursuant to the Surplus Land Act, surplus land may be transferred to another local agency, such as from a city to a county, for the receiving agency's use. KCH currently provides mental health services on behalf of LACDMH through a series of contracts and funding agreements. These agreements and contracts require KCH to continue providing mental health services at the Property to children in the community for the receiving agency's use.

### **Conclusion**

Based on the documentation provided, HCD finds that the Property qualifies as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(D).

Armando Parra, Assistant Director

Page 2

If you have any questions or need additional technical assistance, please contact Lisa Krause, Senior Housing Policy Specialist, at [lisa.krause@hcd.ca.gov](mailto:lisa.krause@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Laura Nunn". The signature is written in a cursive, flowing style.

Laura Nunn  
Senior Manager, Housing Accountability Unit  
Housing Policy Development

# EXHIBIT IV



# Chicago Title Company

725 South Figueroa Street, Suite 200, Los Angeles, CA 90017  
 Phone: (213) 488-4300 • Fax: (213) 488-4377

## Issuing Policies of Chicago Title Insurance Company

ORDER NO.: **00160481-994-LT2-1TW**

Escrow/Customer Phone: **(213) 488-4300**

City of Los Angeles  
 111 E. 1st Street, Room 201, City Hall South  
 Los Angeles, CA 90012  
 ATTN: Louie N. Padua  
 Email: louie.padua@lacity.org  
 REF:

Title Officer: Ted Tan/Jennifer Wright (LA/Comm)  
 Title Officer Phone: (213) 488-4394  
 Title Officer Fax: (213) 488-4360  
 Title Officer Email: TeamX77@ctt.com

PROPERTY: **6071-022-902, LOS ANGELES, CA**

### PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Florida corporation.*

***Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.***

Chicago Title Company

By:   
 Authorized Signature



By:   
 Randy Quirk  
 President

ATTEST   
 Marjorie Nemzura  
 Corporate Secretary



**PRELIMINARY REPORT**

---

**EFFECTIVE DATE:** August 23, 2021 at 7:30 a.m.

**ORDER NO.:** 00160481-994-LT2-1TW

The form of policy or policies of title insurance contemplated by this report is:

**Prelim Only**

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

**Fee Estate**

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

**The City of Los Angeles**

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

**See Exhibit A attached hereto and made a part hereof.**

## EXHIBIT "A"

### LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT "B" OF [TRACT NO. 6478](#), IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 68, PAGE 93](#) TO 99 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF SAID LOT "B" AT THE SOUTHWEST CORNER OF THE 2 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO N. A. KASSLER, TRUSTEE, RECORDED DECEMBER 5, 1950 AS [INSTRUMENT NO. 1359](#), IN [BOOK 35024, PAGE 317](#), OFFICIAL RECORDS, SAID POINT BEING SOUTH 68° 37' 27" WEST 504.62 FEET, MORE OR LESS, FROM THE SOUTHEAST CORNER OF SAID LOT "B", THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 68° 37' 27" WEST, 750.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE FROM SAID TRUE POINT OF BEGINNING.

CONTINUING ALONG SAID SOUTHEASTERLY LINE SOUTH 68° 37' 27" WEST 457.30 FEET, MORE OR LESS, TO THE SOUTHEASTERLY CORNER OF LAND DESCRIBED IN DEED RECORDED IN [BOOK 5644, PAGE 360](#) OF SAID OFFICIAL RECORDS, DISTANT ON SAID SOUTHEASTERLY LINE OF SAID LOT "B", NORTH 68° 37' 27" EAST 500.08 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT "B"; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN SAID LAST-MENTIONED DEED, NORTH 3° 21' 40" EAST 468.73 FEET TO THE MOST NORTHERLY CORNER OF SAID LAND, SAID CORNER BEING IN THE NORTHWESTERLY LINE OF SAID LOT "B"; THENCE ALONG SAID NORTHWESTERLY LINE OF SAID LOT "B", NORTH 68° 38' 00" EAST 261.16 FEET TO A LINE EXTENDING NORTH 21° 22' 33" WEST FROM THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE ALONG SAID LAST-MENTIONED LINE, SOUTH 21° 22' 33" EAST 425.64 FEET, MORE OR LESS, TO SAID TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED TO LINCOLN INVESTMENT CORP., A CALIFORNIA CORPORATION, RECORDED IN [BOOK 49039, PAGE 390](#), OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CORNER BEING NORTH 68° 37' 27" EAST ON THE SOUTHEASTERLY LINE OF SAID LOT "B" A DISTANCE OF 500.08 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT "B"; THENCE NORTH 3° 21' 40" EAST 468.7 FEET ALONG THE WESTERLY LINE OF SAID PARCEL OF LAND TO THE NORTHWESTERLY LINE OF SAID LOT "B"; THENCE NORTH 68° 38' 00" EAST ALONG SAID NORTHWESTERLY LINE 3.30 FEET TO A LINE PARALLEL WITH AND DISTANT EASTERLY 3.00 FEET, MEASURED AT RIGHT ANGLES, FROM SAID WESTERLY LINE OF SAID PARCEL OF LAND; THENCE ALONG SAID PARALLEL LINE, SOUTH 3° 21' 40" WEST TO THE SOUTHEASTERLY LINE OF SAID LOT "B"; THENCE SOUTH 68° 37' 27" WEST TO THE POINT OF BEGINNING.

[APN: 6071-022-902](#)

## EXCEPTIONS

### AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.
- B. There were no taxes levied for the fiscal year 2020-2021 as the property was vested in a public entity.

Tax Identification No.: 6071-022-902

- C. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording No: in [Book 10004 Page 240](#), of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

- 3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: The City of Los Angeles (a municipal corporation of the State of California)  
Purpose: permanent easement and right of way for public street purposes  
Recording Date: December 1, 1972  
[Recording No:](#) [3590, of Official Records](#)  
Affects: Portions of the Land, the exact location of which can be determined by examination of the above-mentioned instrument, which contains a complete legal description of the affected portions of said Land.

Reference is hereby made to said document for full particulars.

- 4. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: September 28, 1973  
[Recording No:](#) [3180, of Official Records](#)

## EXCEPTIONS (Continued)

5. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Conveyance  
Lessor: The City of Los Angeles  
Lessee: Kedren Community Health Center, Inc.  
Recording Date: September 28, 1973  
[Recording No: 3180, of Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

6. An instrument entitled "Covenant and Agreement Regarding Maintenance of Building and Uses"

Recording Date: October 15, 1975  
[Recording No: 4358, of Official Records](#)

Reference is hereby made to said document for full particulars.

7. A notice that said Land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document

Recording Date: December 10, 2007  
[Recording No: 2007-2706064, of Official Records](#)  
Redevelopment Agency: City of Los Angeles

8. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
9. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
10. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

**EXCEPTIONS  
(Continued)**

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

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**END OF EXCEPTIONS**

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## REQUIREMENTS SECTION

1. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

2. This Company will require evidence of compliance with the statutory limitations incident to the governmental agency named below, with reference to any conveyance of an interest in the Land this Company will be asked to record and/or rely upon in the issuance of any form of title insurance.

Governmental agency: The City of Los Angeles

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**END OF REQUIREMENTS**

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## INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.
2. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Commercial properties, known as 6071-022-902, located within the city of Los Angeles, California, , to an Extended Coverage Loan Policy.
3. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
5. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
6. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

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**END OF INFORMATIONAL NOTES**

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Ted Tan/Jennifer Wright (LA/Comm)/od

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## Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>



## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

### **FNF Underwritten Title Company**

CTC – Chicago Title company  
CLTC – Commonwealth Land Title Company  
FNTC – Fidelity National Title Company of California  
FNTCCA - Fidelity National Title Company of California  
TICOR – Ticor Title Company of California  
LTC – Lawyer's Title Company  
SLTC – ServiceLink Title Company

### **Underwritten by FNF Underwriters**

CTIC – Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Company  
FNTIC – Fidelity National Title Insurance Company  
FNTIC - Fidelity National Title Insurance Company  
CTIC – Chicago Title Insurance Company  
CLTIC – Commonwealth Land Title Insurance Company  
CTIC – Chicago Title Insurance Company

### **Available Discounts**

#### **DISASTER LOANS (CTIC, CLTIC, FNTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

# FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

## **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

## **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

## **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

## **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and others’ products and services, jointly or independently.

## **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

**Your Consent To This Privacy Notice; Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

## ATTACHMENT ONE (Revised 05-06-16)

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | <b>Your Deductible Amount</b>   | <b>Our Maximum Dollar<br/>Limit of Liability</b> |
|------------------|---|--|
| Covered Risk 16: | 1.00% of Policy Amount Shown in Schedule A or \$2,500.00<br>(whichever is less) | \$ 10,000.00                                     |
| Covered Risk 18: | 1.00% of Policy Amount Shown in Schedule A or \$5,000.00<br>(whichever is less) | \$ 25,000.00                                     |
| Covered Risk 19: | 1.00% of Policy Amount Shown in Schedule A or \$5,000.00<br>(whichever is less) | \$ 25,000.00                                     |
| Covered Risk 21: | 1.00% of Policy Amount Shown in Schedule A or \$2,500.00<br>(whichever is less) | \$ 5,000.00                                      |

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

## {PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

## PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

### 2006 ALTA OWNER'S POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

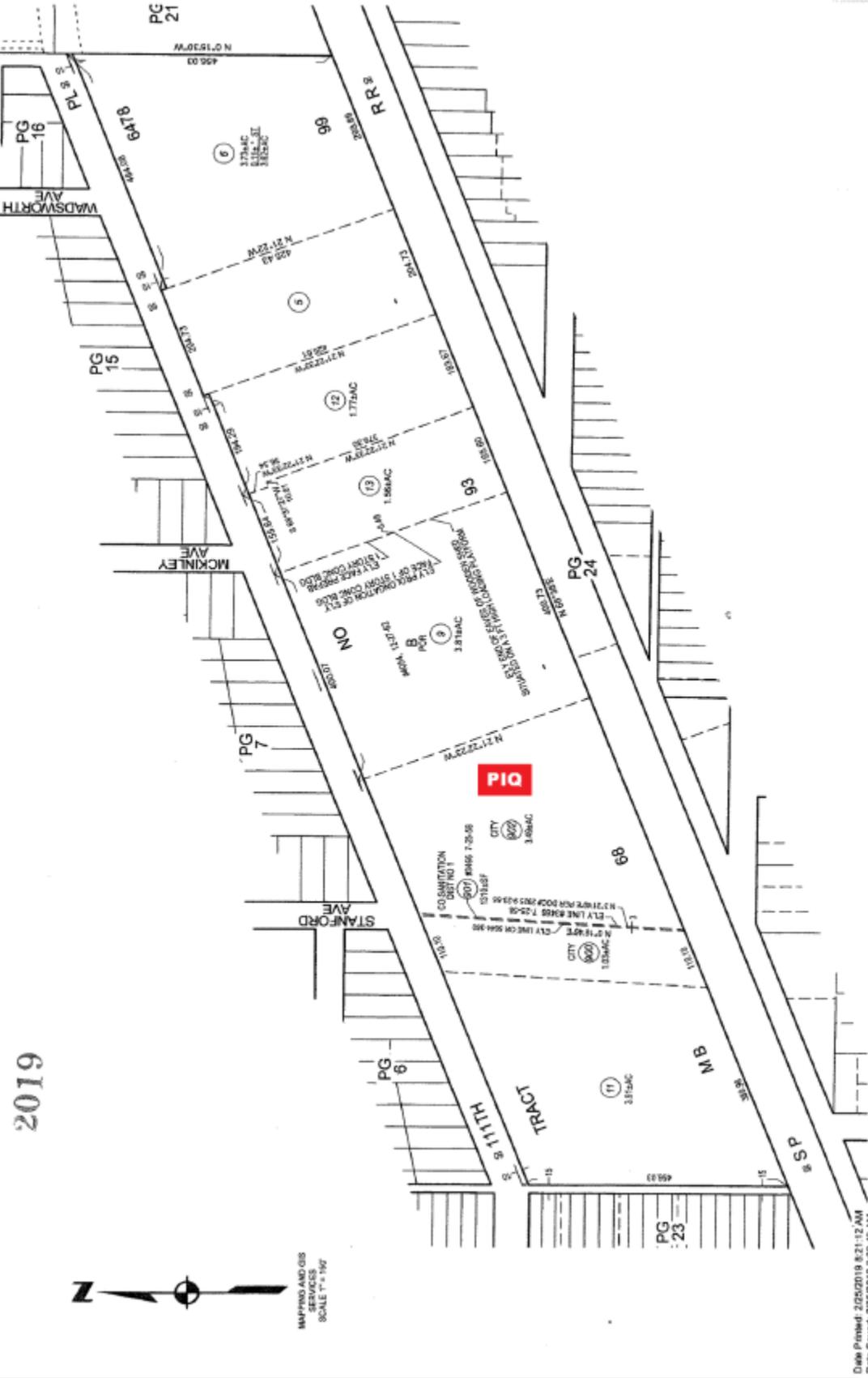
## ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**6071** P. A. 6971 - 22 TRA 461 REVISIONS 5-15-61 2-4-63 710121301 710718304 711023402 720113801 730026214 751017505 740525601 740525202 20101030657003001-14 20130422 20190227/001 001-26 SEARCH NO. OFFICE OF THE ASSESSOR COUNTY OF LOS ANGELES COPYRIGHT © 2002



2019

Date Plotted: 2/25/2019 8:21:12 AM  
 Plotter: PLOTTER: HP-DesignJet 500, 44" x 54"

This map/plot is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

## OWNER'S DECLARATION

Escrow No.: 00160481-994-LT2-1TW  
Property Address: 6071-022-902  
Los Angeles, CA

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
  - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at 6071-022-902, Los Angeles, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
  - b. Declarant is the \_\_\_\_\_ of \_\_\_\_\_ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at 6071-022-902, Los Angeles, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
  - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
  - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with \_\_\_\_\_ upon the Land in the approximate total sum of \$\_\_\_\_\_, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: \_\_\_\_\_. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Chicago Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as \_\_\_\_\_; \_\_\_\_\_ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:  
\_\_\_\_\_
6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Chicago Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on \_\_\_\_\_ at \_\_\_\_\_.

Signature: \_\_\_\_\_



# EXHIBIT V

**EXHIBIT "A"**

APN: 6071-022-902

ADDRESS: 710 EAST 111TH PLACE, 90059

**LEGAL DESCRIPTION**

THAT PORTION OF LOT "B" OF TRACT NO. 6478, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 68, PAGES 93 TO 99 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF SAID LOT "B" AT THE SOUTHWEST CORNER OF THE 2 ACRE PARCEL OF LAND DESCRIBED IN THE DEED TO N. A. KASSLER, TRUSTEE, RECORDED DECEMBER 5, 1950, AS INSTRUMENT NO. 1359, IN BOOK 35024, PAGE 317, OFFICIAL RECORDS, SAID POINT BEING SOUTH 68°37'27" WEST 504.62 FEET, MORE OR LESS, FROM THE SOUTHEAST CORNER OF SAID LOT "B"; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 68°37'27" WEST, 750.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE FROM SAID TRUE POINT OF BEGINNING, CONTINUING ALONG SAID SOUTHEASTERLY LINE SOUTH 68°37'27" WEST 457.30 FEET, MORE OR LESS, TO THE SOUTHEASTERLY CORNER OF LAND DESCRIBED IN DEED RECORDED IN BOOK 5644, PAGE 360 OF SAID OFFICIAL RECORDS, DISTANT ON SAID SOUTHEASTERLY LINE OF SAID LOT "B", NORTH 68°37'27" EAST 500.08 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT "B"; THENCE ALONG THE EASTERLY LINE OF THE LAND DESCRIBED IN SAID LAST-MENTIONED DEED, NORTH 3°21'40" EAST 468.73 FEET TO THE MOST NORTHERLY CORNER OF SAID LAND, SAID CORNER BEING IN THE NORTHWESTERLY LINE OF SAID LOT "B"; THENCE ALONG SAID NORTHWESTERLY LINE OF SAID LOT "B", NORTH 68° 38' 00" EAST 261.16 FEET TO A LINE EXTENDING NORTH 21° 22' 33" WEST FROM THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE ALONG SAID LAST-MENTIONED LINE, SOUTH 21°22'33" EAST 425.64 FEET, MORE OR LESS, TO SAID TRUE POINT OF BEGINNING.

RESERVING UNTO THE CITY OF LOS ANGELES AN EASEMENT FOR PUBLIC STREET PURPOSES, IN, OVER, ALONG, UPON AND ACROSS THE SOUTHEASTERLY 4.00 FEET OF THE NORTHWESTERLY 14.00 FEET OF THE ABOVE-DESCRIBED PARCEL OF LAND.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THE PUBLIC STREET.

ALSO, EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THE DEED TO LINCOLN INVESTMENT CORP., A CALIFORNIA CORPORATION, RECORDED IN BOOK 49039, PAGE 390, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CORNER BEING NORTH 68°37'27" EAST ON THE SOUTHEASTERLY LINE OF SAID LOT "B" A DISTANCE OF 500.08 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT "B"; THENCE NORTH 3°21'40" EAST 468.70 FEET ALONG THE WESTERLY LINE OF SAID PARCEL OF LAND TO THE NORTHWESTERLY LINE OF SAID LOT "B"; THENCE NORTH 68°38'00" EAST ALONG SAID NORTHWESTERLY LINE 3.30 FEET TO A LINE PARALLEL WITH AND DISTANT EASTERLY 3.00 FEET, MEASURED AT RIGHT ANGLES, FROM SAID WESTERLY LINE OF SAID PARCEL OF LAND; THENCE

ALONG SAID PARALLEL LINE, SOUTH 3°21'40" WEST TO THE SOUTHEASTERLY LINE OF SAID LOT B";  
THENCE SOUTH 68°37'27" WEST TO THE POINT OF BEGINNING.

SUBJECT TO all covenants, conditions, restrictions, exceptions, reservations, easements, rights and right of way  
of record.



DATE: 9-10-2024

# EXHIBIT VI

**CITY OF LOS ANGELES**  
INTERDEPARTMENTAL CORRESPONDENCE

Date: July 25, 2024

To: E. Amy Benson, Director  
Department of General Services  
Real Estate Services Division

From: for Wesley Tanijiri, P.E., District Engineer  
Bureau of Engineering  
Department of Public Works



Subject: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY  
LOCATED AT 111<sup>TH</sup> PLACE, LOS ANGELES, CA  
90059 APN: 6071-022-902

| APN          | ADDRESS                   | LAND USE/SQUARE FEET  | CD |
|--------------|---------------------------|---|----|
| 6071-022-902 | 710 E. 111TH PLACE, 90059 | LIGHT INDUSTRIAL /<br>154,550 SF LAND<br>42,140 SF MEDICAL BUILDING | 8  |

We have **no objection** to the proposed sale of the above city properties, as shown on provided plot plan of your correspondence letter dated May 17, 2024, subject to the following conditions:

**111<sup>th</sup> Place:**

Per current Department of City Planning’s Mobility Plan 2035, 111<sup>th</sup> Place is designated as an Industrial Collector Street with a required half right-of-way of 34 feet. Presently, the existing half right-of-way is 30 feet, therefore **4-ft of dedication is required**.

The required half roadway width of 111<sup>th</sup> Place designated as an Industrial Collector Street is 24 feet, with the existing roadway of 20 feet, therefore **4-ft of roadway widening is required**.

There is also an existing county sewer line within the subject area and a county catch basin adjacent to the subject area on 111th Place. No building structure shall be constructed over or near this active sewer line without first obtaining approval from the City Engineer. In addition, there is an existing Department of Water and Power transmission line R/W adjacent to the subject lot.

The respective agencies shall be contacted for possible relocation, update, and/or new installation of street trees (Bureau of Street Services’ Urban Forestry Division), street lights (Bureau of Street Lighting), meters/vaults (Los Angeles Department of Water and Power, utilities, etc.), and signs/painted curbs (Los Angeles Department of

Transportation).

Any questions regarding this report may be directed to Anthony Tran via email at [anthony.j.tran@lacity.org](mailto:anthony.j.tran@lacity.org)

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: July 31, 2024

To: E. Amy Benson, Director  
Department of General Services,  
Real Estate Services Division

Attn: Armando Parra, Property Manager I

From: Patrick J. Schmidt, Manager   
Bureau of Engineering, Geotechnical Engineering Division

Subject: ***REQUEST FOR NATURAL HAZARDS DISCLOSURE STATEMENT INFORMATION,  
PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY LOCATED AT 710 E. 111<sup>TH</sup>  
PLACE, LOS ANGELES, CA 90059 (LOT B, TRACT 6478, APN: 6071-022-902)  
W.O. EXX11161 GED FILE NO. 24-201***

The Department of Public Works, Bureau of Engineering, Geotechnical Engineering Division (GED) has reviewed the State of California's Seismic Hazard Maps and the Alquist Priolo Earthquake Fault Zones maps for the subject property.

The site **is not** within a EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

The site **is not** within a Landslide Zone within a SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

The site **is** within a Liquefaction Zone within a SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

The site **is not** within a METHANE OR METHANE BUFFER ZONE, a Department of Building & Safety defined zone, which will require a methane investigation and possible mitigation for enclosed structures, pursuant to Los Angeles Building Code, Ch. 71.

The property does not have any oil wells. We have no evidence of soil contamination in our records.

These disclosures are solely based on the analysis of maps that only estimate where natural hazards exist and not on the results of a field or subsurface investigation. As a result, they are not definitive indicators of whether or not the property will be affected by a natural disaster.

If you have any questions, please call Daniel Orris at (213) 847-0488 or email to [daniel.orris@lacity.org](mailto:daniel.orris@lacity.org).

COUNTY CLERK'S USE

**CITY OF LOS ANGELES  
LOS ANGELES, CALIFORNIA 90015  
CALIFORNIA ENVIRONMENTAL QUALITY ACT  
NOTICE OF EXEMPTION**

(Articles II and III – City CEQA Guidelines)

|  |                           |   |
|--|---------------------------|---|
| <p>If a project applicant determines that a project is not subject to the California Environmental Quality Act (CEQA) pursuant to the California Welfare and Institutions Code (WIC) Section 5960.3, and the lead agency publicly concurs in that determination, the applicant shall file this form with the County Clerk, 12400 E. Imperial Highway, Norwalk, California, 90650 and with the State Clearinghouse in the Office of Planning and Research, pursuant to Public Resources Code (PRC) Section 21152(b) and (c). Pursuant to PRC Section 21167(d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project.</p>   |                           |   |
| <p><b>LEAD CITY AGENCY AND ADDRESS:</b><br/>City of Los Angeles<br/>c/o Bureau of Engineering<br/>1149 S. Broadway, 6<sup>th</sup> Floor, MS 939<br/>Los Angeles, CA 90015</p>   |                           | <p><b>COUNCIL DISTRICT</b><br/>8</p>  |
| <p><b>PROJECT TITLE:</b> 710 E 111<sup>th</sup> PI - Sale</p>  |                           | <p><b>LOG REFERENCE</b><br/>CF 24-0872</p>  |
| <p><b>PROJECT LOCATION:</b> 710 E. 111<sup>th</sup> Place, Assessor's Parcel Number 6071-022-902, in the Southeast Los Angeles Community Plan Area of the City of Los Angeles, Los Angeles County. See <i>Figure 1: Project Location</i>. T.G. Page 704, Grid E6.</p>  |                           |   |
| <p><b>DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:</b> The 710 E. 111th PI - Sale project (Project) involves the sale and transfer of surplus land, e.g., no longer necessary for use by the City of Los Angeles (the City), from the City to Kedren Community Health Center, Inc. (Kedren) a private non-profit, public benefit, 501 c(3) (section of the Internal Revenue Code) corporation. The purpose for the sale and transfer of the property is so that Kedren can demolish the current structures on the Project site and construct a new facility, the Kedren Children's Village, for use by the County of Los Angeles for patients served by the Los Angeles Department of Mental Health. The new facility will provide a continuum of mental health services and resources for children in South Los Angeles. On [REDACTED], 2024, the City Council determined the project was exempt from CEQA and approved the sale and transfer of the property.</p> |                           |   |
| <p><b>LEAD CITY AGENCY CONTACT PERSON</b><br/>Maria Martin</p>   |                           | <p><b>CONTACT INFORMATION</b><br/>Maria.Martin@lacity.org</p>                             |
| <p><b>APPLICANT</b><br/>Kedren Community Health Center, Inc.<br/>Jo Ann Yanagimoto-Pinedo</p>  |                           | <p><b>CONTACT INFORMATION</b><br/>jayanagimotopinedo@kedren.org</p>                       |
| <p><b>EXEMPT STATUS: STATUTORY</b><br/>CA WELFARE AND INSTITUTIONS CODE SECTION 5960.3</p>   |                           |   |
| <p><b>JUSTIFICATION FOR PROJECT EXEMPTION:</b> This Project is statutorily exempt from CEQA under WIC Section 5960.3 applicable to a facility project being funded in part by the California Behavioral Health Continuum Infrastructure Program ("BHCIP") funds, that meets all applicable requirements of WIC 5960.3(b), which this Project meets (see attached narrative).</p>   |                           |   |
| <p><b>IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING</b></p>  |                           |   |
| <p><b>SIGNATURE:</b><br/><i>Pending project approval.</i><br/>Maria Martin</p>   |                           | <p><b>TITLE:</b><br/>Environmental Affairs Officer<br/>Environmental Management Group</p> |
| <p><b>DATE:</b><br/><i>Pending</i></p>   |                           |   |
| <p><b>FEE:</b> \$75.00</p>   | <p><b>RECEIPT NO.</b></p> | <p><b>REC'D BY</b></p>  |
|  |                           | <p><b>DATE</b></p>  |

DISTRIBUTION: (1) COUNTY CLERK, (2) STATE CLEARINGHOUSE, (3) AGENCY RECORD

**Figure 1: Project Location**



## EXEMPTION NARRATIVE

### I. PROJECT DESCRIPTION, CONTINUED

The Project consists of the sale and transfer of surplus City-owned property at 710 E. 111th Place. The property includes the main medical office building (42,140 square feet) and land (154,550 square feet). The property will be sold in its current condition, without the City making any repairs. The building is currently vacant and not operational. The property is subject to a 50-year lease to Kedren Health Center, Inc. that is set to expire on October 9, 2027. Any sale will be subject to the buyer taking over the annual lease. The potential buyer is Kedren Health Center, Inc. who has been awarded State BHCIP grant funds to build real estate assets that will provide children and their families in the community a needed continuum of behavioral health treatment resources. Beneficiaries of the potential sale include the local underserved community who would be provided access to mental health services.

### II. CEQA EXEMPTION

#### A. California Welfare and Institutions Code Section 5960.3

The Project is statutorily exempt from the requirement of CEQA pursuant to California WIC Section 5960.3. WIC Section 5960.3(b) specifically exempts facility projects funded by Behavioral Health Continuum Infrastructure Program grants from CEQA if, where applicable, all of the following applicable requirements are satisfied:

- (1) The project is not acquired by eminent domain.

The Project site was not acquired by eminent domain. The Property was conveyed by Kedren to the City in 1973, and Kedren has leased the Project Site from the City since 1977, refer to Attachment 1: Preliminary (Title) Report for APN 6071-022-902. As indicated in Council Motion (Harris-Dawson – McOsker) (Council File (CF) No. 24-0872), the City is declaring that ownership of this property is no longer needed for use by the City and proposes the sale and transfer of the property so that Kedren can construct the Kedren Children’s Village on the property to provide much needed mental health services to children in the County of Los Angeles. Refer to Attachment 2: Harris-Dawson – McOsker Council Motion (CF No. 24-0872). Therefore, this requirement is satisfied.

- (2) The project applicant demonstrates that the project is, and will continue to be, licensed by and in good standing with the department or other state licensing entity at the time of, and for the duration of, occupancy. The project shall be in decent, safe, and sanitary condition at the time of occupancy.

Kedren has been licensed for several decades by the California Department of Public Health as an Acute Psychiatric Hospital and Community Mental Health Center that operates in two locations in South Los Angeles (HCAi at <https://lfis.hcai.ca.gov/License/930000028>). Kedren will continue to maintain its license and remain in good standing and will ensure that the Project will be in decent, safe, and sanitary condition and in accordance with applicable state and local requirements, as indicated in the draft “Regulatory Agreement and Declaration of Restrictions” (Section 2.9), cover page provided in Attachment 3, with the full document in the City's files.

- (3) The project applicant requires all contractors and subcontractors performing work on the facility project to pay prevailing wages for any proposed rehabilitation, construction, or major alterations in accordance with Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

The BHCIP Program Funding Agreement requires that all contractors and subcontractors working on the project will be paid prevailing wages. As a result, all executed Design-Build Agreements with McCarthy Building Companies, Inc., including the DBIA Document No. 535, Standard Form of General Conditions of Contract Between Owner and Design-Builder (2022), which is on file with the Bureau of Engineering, expressly state that the Project is a “public work” for prevailing wage purposes and is subject to all applicable requirements of Division 2, Part 7, Chapter 1 of the California Labor Code ([https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=LAB&division=2.&title=&part=7.&chapter=1.&article=1](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=LAB&division=2.&title=&part=7.&chapter=1.&article=1)).

- (4) The project applicant obtains an enforceable commitment that all contractors and subcontractors performing work on the project will use a skilled and trained workforce for any proposed rehabilitation, construction, or major alterations in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code ([https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=PCC&division=2.&title=&part=1.&chapter=2.9.&article=](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PCC&division=2.&title=&part=1.&chapter=2.9.&article=)).

The BHCIP Program Funding Agreement requires that all contractors and subcontractors working on the project will use a skilled and trained workforce. As a result, all executed Design-Build agreements with McCarthy Building Companies, Inc. expressly state that the Design-Builder must use a skilled and trained workforce as required by Section 2600 through 2602 in Chapter 2.9 of Part 1 of Division 2 of the California Public Contract Code ([https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=PCC&division=2.&title=&part=1.&chapter=2.9.&article=](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PCC&division=2.&title=&part=1.&chapter=2.9.&article=)).

- (5) The project applicant submits to the lead agency a letter of support, or other durable documentary proof for the project, from a county, city, or other local public entity for any new proposed construction, major alteration work, or rehabilitation.

The County of Los Angeles Department of Mental Health (“LACDMH”) is partnering with Kedren on the Project and is providing approximately \$90 million in funding for the Project. In addition to providing this funding, LACDMH has provided a letter of support for the Project, refer to Attachment 4.

- (6) The project applicant demonstrates that not less than ninety-five percent of the total cost of any new construction, facility acquisition, or rehabilitation project is paid for with public funds, private non-profit funds, or philanthropic funds.

The Project, including the Kedren Children’s Village, is being funded wholly by public funds. These funds include approximately \$90 million in California Mental Health Services Authority Innovation funds, and \$57.4 million in BHCIP funds (<https://www.infrastructure.buildingcalhhs.com/bhcip-data-dashboards/round-4-data-dashboard/>).

- (7) The project applicant demonstrates that the project expands the availability of behavioral health treatment services in the subject jurisdiction.

The Project, including the Kedren Children’s Village, will provide a full continuum of mental health

care services to children in Service Area 6 (SA6) in South Los Angeles and surrounding communities. SA6 is historically underserved, and the Project will expand the availability of behavioral health treatment services in this jurisdiction by creating new mental health programs and offerings for children, youth and their families that are currently not available in either the Service Area, or Los Angeles County at large. (LACDMH and Kedren, 2023.)

- (8) The project applicant demonstrates that there are long-term covenants and restrictions that require the project to be used to provide behavioral health treatment for no less than 30 years, and those covenants and restrictions may not be amended or extinguished by a subsequent title holder, owner, or operator.

The BHCIP grant agreement requires the recordation of a performance deed of trust which requires that Kedren (or any successor) will use the Project site to operate behavioral health services for no less than thirty (30) years, as indicated in a draft "Performance Deed of Trust Security Agreement and a Regulatory Agreement and Declaration of Restrictions", Attachment 5, that will be filed and recorded against the property after the transfer, cover page with the full document in the City's files.

- (9) The project does not result in any increase in the existing onsite development footprint of structures or improvements.

There will be no increase in the existing onsite development footprint of structures or improvements. The Project has been carefully designed by Kedren's Design-Builder team, to ensure that the onsite development footprint of structures and improvements will not increase relative to the current onsite footprint. Refer to Attachment 6 for a conceptual rendering of the proposed Kedren Children's Village site layout.

#### IV. REFERENCES

California Code of Regulations, Title 14, Division 6, Chapter 3 (State CEQA Guidelines), available from <http://leginfo.legislature.ca.gov/>

California Department of Health Care Services, Behavioral Health Infrastructure Program (BHCIP) Round 4 Data Dashboard. Accessed September 16, 2024, <https://www.infrastructure.buildingcalhhs.com/bhcip-data-dashboards/round-4-data-dashboard/>

California Labor Code. Division 2, Part 7, Chapter 1 [1720 - 1743], available [https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=LAB&division=2.&title=&part=7.&chapter=1.&article=1](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=LAB&division=2.&title=&part=7.&chapter=1.&article=1).

California Public Contract Code. Division 1, Part 1, Chapter 2.9. Skilled and Trained Workforce Requirements [2600 - 2603]. Retrieved September 20, 2024, from [https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=PCC&division=2.&title=&part=1.&chapter=2.9.&article=](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PCC&division=2.&title=&part=1.&chapter=2.9.&article=)

California Public Resources Code, Div. 13, Sections 21000-21189 (CEQA), available from <http://leginfo.legislature.ca.gov/>

City of Los Angeles Department of Public Works Bureau of Engineering. *NavigateLA*. Retrieved on August 16, 2024, <https://navigate.lacity.org/navigate/>

Los Angeles County Department of Mental Health and Kedren Community Health Center Inc. (2023) Children's Community Care Village, California MHS Innovation Project Application.

# EXHIBIT VII

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

August 19, 2024

TO: E. Amy Benson, Director, Department of General Services  
Real Estate Services Division

FROM: Michelle Singh, Principal City Planner *MS*  
Community Planning Division  
Department of City Planning

SUBJECT: **PROPOSED SALE OF CITY-OWNED PROPERTY LOCATED at 710 E. 111th Place, Los Angeles, CA 90059, APN:6071-022-902**

We have received your request for comment regarding the proposed sale of City-owned property located at 710 E. 111th Place, Los Angeles, CA 90059 alternately identified as APN: 6071-022-902. This proposed sale of this city-owned land consists of the direct sale of city-owned land to existing tenant, Kendren, as mentioned in CF: 24-0872. The subject property is zoned M1-1-CPIO and corresponds to the Limited Industrial General Plan Land Use designation. The subject site is also located in the Southeast Los Angeles Community Plan Implementation Overlay (CPIO). The subject property consists of one, relatively flat, parcel that is approximately 154,549 square feet in area. The subject property is currently occupied by a private, nonprofit, public benefit, 501c(3) corporation Kedren, with an Acute Psychiatric Hospital and Community Mental Health Program and a Federally Qualified Health Center that provides Primary Care, Wellness Services and Early-Education services to the community.

The abutting property to the west of the subject property is zoned PF-1. Properties to the east are zoned M1-1 CPIO. Properties to the south of the subject property are M1-1 zoned. The properties to the north across 111th Place are zoned R2-1 zoned with Multi-Family Dwellings and accessory structures. Access to the subject property is provided via 111th Place, which is designated as a standard Collector Street.

Provided that the lot will be utilized for a use consistent with the current zone, a sale is therefore generally consistent with the City's General Plan. Additional zoning, land use, jurisdictional, geologic information and considerations can be found on the City's Zoning Information Mapping Access System (ZIMAS) and the website is: [www.zimas.lacity.org](http://www.zimas.lacity.org) and Navigate LA which is Bureau of Engineering's data website for other related hillside and sewer connection conditions and possible requirements, that website is: [www.navigate.la.lacity.org](http://www.navigate.la.lacity.org). It is incumbent upon the purchaser and/or future applicant to consult with the Bureau of Engineering, Department of Building and Safety, and/or other City Agencies, about any applicable requirements, future improvements and entitlements.

Please contact me if you need any additional information. I can be reached at (213) 978-1166 or [michelle.singh@lacity.org](mailto:michelle.singh@lacity.org).

MS:cp

# EXHIBIT VIII

## CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



KAREN BASS  
MAYOR

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

May 17, 2024

Honorable Karen Bass  
Mayor, City of Los Angeles  
200 North Spring Street, Room 300  
Los Angeles, California 90012

Attention: Carolyn Webb de Macias, Chief of Staff

**PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY LOCATED AT  
710 E. 111<sup>th</sup> Place, APN: 6071-022-902 CD 8**

The Real Estate Services Division is processing the City-owned property, identified on the attached assessor parcel map, as declared surplus land.

Your comments are invited relative to the proposed sale. Your response within 30 days of this letter is sincerely appreciated. Please return a signed copy of this letter by e-mail to Armando.Parra@lacity.org.

The City Council approved the "Surplus Land" declaration on January 16, 2024. See attached Official Action of the Los Angeles City Council.

If we do not hear from you within this time frame, we will assume you have no objections to the proposed sale. Should you need additional information please contact Armando Parra at (213) 949-7781 or by email at Armando.Parra@lacity.org.

Tony M. Royster  
General Manager

Attachments

**SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY LOCATED AT  
710 E. 111<sup>th</sup> Place, APN: 6071-022-902, CD 8**

\_\_\_\_\_ I have no objections to the proposed sale.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ I have objections to the proposed sale.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Signature

Date

# EXHIBIT IX



**APPRAISAL REPORT**

**Kedren Community Mental Health Center**  
Single-Tenant Medical Office Building

710 E 111<sup>th</sup> Place, Los Angeles, CA 90059  
CR File Number: 17935-24

**Kedren Community Mental Health Center – Single-tenant Medical Office Building**



710 E 111<sup>th</sup> Place, Los Angeles, CA 90059



May 17, 2024

Armando Parra, Property Manager  
City of Los Angeles  
General Services Department  
Real Estate Services Division  
111 E. First St., Rm. 201  
Los Angeles, CA 90012

RE: **APPRAISAL REPORT**  
Kedren Community Mental Health Center  
Single-tenant Medical Office Building  
710 E 111<sup>th</sup> Place, Los Angeles, California, 90059  
CR File # 17935-24

Dear Mr. Parra,

Per your request, we have appraised the above-referenced property. Our appraisal is intended to conform to:

- The Uniform Standards of Professional Appraisal Practice (USPAP)

Our analyses and conclusions are contained in this Appraisal Report which is intended to comply with the reporting requirements set forth in USPAP Standards Rule 2-2.

In conformance with the Scope of Work rule of USPAP, the sections below describe the Scope of Work for this assignment.

**Client** - The client for this assignment is City of Los Angeles, General Services Department, Real Estate Services Division; c/o Armando Parra, Property Manager.

**Intended User** - The intended user of this report is exclusively the client stated above. There are no other authorized users of this report.

**Intended Use** - The intended use of this assignment is with the potential sale of the subject underlying land value to the existing tenant.

**Purpose of this Assignment** - The purpose of this assignment is to estimate the **Market Value**, as defined in the Addenda, of the ownership interest in the subject property stated in the valuation table to follow, as of the stated effective date of value.

**Effective Date of Value** - The valuation table to follow includes the effective date of value for each valuation premise included in this assignment.

**Relevant Characteristics of the Subject Property** – The improved property being appraised, and which is the subject of this report, is located at 710 E 111<sup>th</sup> Place, in the city of Los Angeles, California. The subject property currently consists of a 1977-built, 42,140 square feet, one-story medical office building, currently vacant and in poor condition due to significantly deferred maintenance.

The site is an irregular-shaped interior parcel identified as APN 6071-022-902. It has a site area of approximately 149,408 square feet or 3.43 acres. The site has 99 parking spaces including 3 handicapped spaces and zoned Limited Industrial (M-1).

The subject underlying land is owned by the city of Los Angeles and is currently leased to Kedren Health for \$1.00 psf. annually, which will expire on October 9, 2027. All improvements on the property are owned by the tenant. It is noted that the ownership of all improvements will revert to the city of Los Angeles upon expiration of the ground lease.

**Analytical Approach** - Our analysis included an inspection of the subject property, research of general data relating to the subject locale, research of transactions in the subject market area, as well as research of other market-related influences affecting the subject property. In our analysis, we gave consideration to the applicability of each of the traditional approaches to value including the Cost, Sales Comparison, and Income approaches. The methodology and data used in our valuation of the subject property are detailed in the Valuation Section of this appraisal report.

**Conditions of this Assignment** - The analyses and conclusions in this assignment are subject to the Scope of Work described above, the General Assumptions and Limiting Conditions that are contained within this appraisal report, and the following:

1. **Extraordinary Assumptions**, which USPAP defines as *assignment-specific assumptions as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.*

1. None.

2. **Hypothetical Conditions**, which USPAP defines as *conditions directly related to a specific assignment, are contrary to what is known by the appraiser to exist on the effective date of the assignment results but are used for the purpose of analysis.*

1. None.

3. **Special Limiting Conditions**, which are assignment-specific conditions that limit the use of the report.

1. None

**Nondiscrimination Statement** - This appraisal has been completed without regard to race, color, religion, national origin, sex, marital status or any other prohibited basis, and does not contain references which could be regarded as discriminatory.

As a result of our investigation and analysis, the table below presents our fee simple interest opinion for the subject property.

| Valuation Premise | Interest Appraised | Effective Date of Value | FINAL Value Conclusion |
|-------------------|--------------------|-------------------------|------------------------|
| Market Value      | Fee Simple         | 3/13/2024               | \$10,733,000           |

As a result of our investigation and analysis, the table below presents our leased fee interest opinion for the subject property.

| Valuation Premise | Interest Appraised | Effective Date of Value | FINAL Value Conclusion |
|-------------------|--------------------|-------------------------|------------------------|
| Market Value      | Leased Fee         | 3/13/2024               | \$8,720,000            |

Thank you for the opportunity to have been of service to you. If you have any questions regarding the material presented in this report, or if you require any further assistance, please give us a call.

Sincerely,

**CURTIS-ROSENTHAL, INC.**



Joe J. Villegas, MAI  
CA #AG004648  
jvillegas@curtisrosenthal.com



David M. Rosenthal, MAI, FRICS  
CA #AG001641  
drosenthal@curtisrosenthal.com

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## EXECUTIVE SUMMARY

|  |  |                              |
|--|--|------------------------------|
| <b>PROPERTY IDENTIFICATION:</b>                                | Kedren Community Health Center<br>710 E 111th Place<br>Los Angeles, CA 90059 |                              |
| <b>FILE NUMBER:</b>  | 17935-24   |                              |
| <b>INTENDED USER:</b>  | City of Los Angeles<br>c/o Armando Parra, Property Manager                   |                              |
| <b>LEGAL DESCRIPTION:</b>                                      | Refer to Legal Description<br>Report Heading                                 |                              |
| <b>ASSESSOR PARCEL NUMBERS:</b>                                | 6071-022-902   |                              |
| <b>PROPERTY TYPE:</b>  | Medical Office Building  |                              |
| <b>NET LAND AREA:</b>  | Square Feet  | 149,408                      |
|  | Acres  | 3.43                         |
| <b>BUILDING AREA:</b>  | Net Rentable Area  | 42,140                       |
| <b>ZONING:</b>   | M1 - Limited Industrial Zone   |                              |
| <b>HIGHEST AND BEST USE:</b>                                   | As If Vacant   | Medical Office or Industrial |
|  | As Improved  | Demolition of improvements   |
| <b>CRITICAL DATES:</b>   | Date of Inspection   | March 13, 2024               |
|  | Date of Value  | March 13, 2024               |
| <b>OPINION OF VALUE CONCLUSIONS</b>                            |  |                              |
| <b>MARKET VALUE OF THE FEE SIMPLE INTEREST AS OF 3/13/2024</b> |  | <b>\$10,733,397</b>          |
| <b>ROUNDED:</b>  |  | <b>\$10,733,000</b>          |
| <b>MARKET VALUE OF LEASED FEE INTEREST AS OF 3-13-2024</b>     |  | <b>\$8,720,000</b>           |

## MARKET AREA ANALYSIS

### LOS ANGELES COUNTY

Los Angeles County is one of California's original 27 counties and was established February 18, 1850. Originally the County occupied a comparatively small area along the coast between Santa Barbara and San Diego, but within a year it expanded rapidly, as far east as the Colorado River. During subsequent years, Los Angeles County slowly reduced in size, with the last major detachment occurring in 1889 with the creation of Orange County. However, it remains one of the nation's largest counties with approximately 4,084 square miles, an area some 800 square miles larger than the combined area of the states of Delaware and Rhode Island; and marginally smaller than the state of Connecticut.

The County has a relatively central location within the region. Although it lies on the coast, it stretches inland approximately 100 miles. It includes the islands of San Clemente and Santa Catalina and is bordered on the east by Orange and San Bernardino Counties, on the north by Kern County, on the west by Ventura County, and on the south by the Pacific Ocean. Its coastline is 81 miles long.



### Population

Los Angeles County is considered the capital of Greater Los Angeles. It contains 88 separate incorporated cities, more than twice as many as in any of the other Greater Los Angeles counties. It is the most populated county in the nation. According to Department of Finance estimates for January 2020, the county's population is more than 10.1 million. The most populated city within the county is the City of Los Angeles with more than 4.0 million residents, or 40 percent of the total county population.

The table below shows current population figures, forecasts, and trends for Los Angeles County.

| <b>Population</b>   |            |
|---|------------|
| 2010 Population   | 9,818,605  |
| 2020 Population   | 10,014,009 |
| 2023 Population   | 9,965,925  |
| 2028 Population   | 9,933,940  |
| 2010-2020 Annual Rate   | 0.20%      |
| 2020-2023 Annual Rate   | -0.15%     |
| 2023-2028 Annual Rate   | -0.06%     |
| 2023 Male Population  | 49.6%      |
| 2023 Female Population  | 50.4%      |
| 2023 Median Age   | 36.6       |
| <b>Households</b>   |            |
| 2023 Wealth Index   | 105        |
| 2010 Households   | 3,241,204  |
| 2020 Households   | 3,420,628  |
| 2023 Households   | 3,427,635  |
| 2028 Households   | 3,453,233  |
| 2010-2020 Annual Rate   | 0.54%      |
| 2020-2023 Annual Rate   | 0.06%      |
| 2023-2028 Annual Rate   | 0.15%      |
| 2023 Average Household Size   | 2.85       |
| <b>Mortgage Income</b>  |            |
| 2023 Percent of Income for Mortgage   | 58.5%      |
| <b>Median Household Income</b>  |            |
| 2023 Median Household Income  | \$81,362   |
| 2028 Median Household Income  | \$94,910   |
| 2023-2028 Annual Rate   | 3.13%      |
| <b>Average Household Income</b>   |            |
| 2023 Average Household Income   | \$120,981  |
| 2028 Average Household Income   | \$140,009  |
| 2023-2028 Annual Rate   | 2.96%      |
| <b>Per Capita Income</b>  |            |
| 2023 Per Capita Income  | \$41,719   |
| 2028 Per Capita Income  | \$48,781   |
| 2023-2028 Annual Rate   | 3.18%      |
| <b>GINI Index</b>   |            |
| 2023 Gini Index   | 41.7       |
| <b>Households by Income</b>   |            |
| Current median household income is \$81,362 in the area, compared to \$72,603 for all U.S. households. Median household income is projected to be \$94,910 in five years, compared to \$82,410 for all U.S. households        |            |
| Current average household income is \$120,981 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$140,009 in five years, compared to \$122,048 for all U.S. households |            |
| Current per capita income is \$41,719 in the area, compared to the U.S. per capita income of \$41,310. The per capita income is projected to be \$48,781 in five years, compared to \$47,525 for all U.S. households          |            |
| <b>Housing</b>  |            |
| 2023 Housing Affordability Index  | 43         |
| 2010 Total Housing Units  | 3,445,076  |
| 2010 Owner Occupied Housing Units   | 1,544,749  |
| 2010 Renter Occupied Housing Units  | 1,696,455  |
| 2010 Vacant Housing Units   | 203,872    |
| 2020 Total Housing Units  | 3,591,981  |
| 2020 Vacant Housing Units   | 171,353    |
| 2023 Total Housing Units  | 3,622,897  |
| 2023 Owner Occupied Housing Units   | 1,579,073  |
| 2023 Renter Occupied Housing Units  | 1,848,562  |
| 2023 Vacant Housing Units   | 195,262    |
| 2028 Total Housing Units  | 3,662,559  |
| 2028 Owner Occupied Housing Units   | 1,600,917  |
| 2028 Renter Occupied Housing Units  | 1,852,316  |
| 2028 Vacant Housing Units   | 209,326    |
| <b>Socioeconomic Status Index</b>   |            |
| 2023 Socioeconomic Status Index   | 40.9       |

Currently, 43.6% of the 3,622,897 housing units in the area are owner occupied; 51.0%, renter occupied; and 5.4% are vacant. Currently, in the U.S., 58.5% of the housing units in the area are owner occupied; 31.7% are renter occupied; and 9.8% are vacant. In 2020, there were 3,591,981 housing units in the area and 4.8% vacant housing units. The annual rate of change in housing units since 2020 is 0.26%. Median home value in the area is \$792,145, compared to a median home value of \$308,943 for the U.S. In five years, median value is projected to change by 1.36% annually to \$847,357.

Source: Site to do Business (2023)

| E-1: City/County Population Estimates with Annual Percent Change |           |           |        |                       |           |           |        |
|--|-----------|-----------|--------|-----------------------|-----------|-----------|--------|
| January 1, 2022 and 2023   |           |           |        |                       |           |           |        |
| State/County/City  | 1/1/2022  | 1/1/2023  | Change | State/County/City     | 1/1/2022  | 1/1/2023  | Change |
| Los Angeles  | 9,834,503 | 9,761,210 | -0.7   | La Verne              | 32,344    | 32,056    | -0.9   |
| Agoura Hills   | 19,776    | 19,770    | 0.0    | Lawndale              | 31,171    | 30,882    | -0.9   |
| Alhambra   | 81,609    | 81,303    | -0.4   | Lomita                | 20,300    | 20,092    | -1.0   |
| Arcadia  | 55,918    | 55,503    | -0.7   | Long Beach            | 460,245   | 458,222   | -0.4   |
| Artesia  | 16,225    | 16,093    | -0.8   | Los Angeles           | 3,802,725 | 3,766,109 | -1.0   |
| Avalon   | 3,386     | 3,351     | -1.0   | Lynwood               | 66,595    | 66,228    | -0.6   |
| Azusa  | 49,453    | 49,483    | 0.1    | Malibu                | 10,534    | 10,512    | -0.2   |
| Baldwin Park   | 70,815    | 70,368    | -0.6   | Manhattan Beach       | 34,713    | 34,284    | -1.2   |
| Bell   | 33,612    | 33,370    | -0.7   | Maywood               | 24,779    | 24,546    | -0.9   |
| Bellflower   | 77,638    | 76,924    | -0.9   | Monrovia              | 37,772    | 37,539    | -0.6   |
| Bell Gardens   | 38,774    | 38,447    | -0.8   | Montebello            | 61,804    | 61,645    | -0.3   |
| Beverly Hills  | 31,945    | 31,658    | -0.9   | Monterey Park         | 59,824    | 59,288    | -0.9   |
| Bradbury   | 886       | 889       | 0.3    | Norwalk               | 101,815   | 101,153   | -0.7   |
| Burbank  | 104,976   | 104,535   | -0.4   | Palmdale              | 167,015   | 165,917   | -0.7   |
| Calabasas  | 23,037    | 22,808    | -1.0   | Palos Verdes Estates  | 13,052    | 12,935    | -0.9   |
| Carson   | 92,746    | 92,186    | -0.6   | Paramount             | 52,557    | 52,178    | -0.7   |
| Cerritos   | 48,402    | 47,887    | -1.1   | Pasadena              | 137,814   | 136,988   | -0.6   |
| Claremont  | 37,034    | 36,759    | -0.7   | Pico Rivera           | 61,446    | 60,975    | -0.8   |
| Commerce   | 12,163    | 12,036    | -1.0   | Pomona                | 149,908   | 149,721   | -0.1   |
| Compton  | 94,294    | 93,719    | -0.6   | Rancho Palos Verdes   | 41,451    | 41,030    | -1.0   |
| Covina   | 50,690    | 50,350    | -0.7   | Redondo Beach         | 69,078    | 68,407    | -1.0   |
| Cudahy   | 22,386    | 22,270    | -0.5   | Rolling Hills         | 1,688     | 1,669     | -1.1   |
| Culver City  | 39,972    | 39,682    | -0.7   | Rolling Hills Estates | 8,480     | 8,446     | -0.4   |
| Diamond Bar  | 53,935    | 53,381    | -1.0   | Rosemead              | 50,109    | 50,022    | -0.2   |
| Downey   | 112,078   | 111,261   | -0.7   | San Dimas             | 34,407    | 34,079    | -1.0   |
| Duarte   | 21,384    | 22,796    | 6.6    | San Fernando          | 23,533    | 23,487    | -0.2   |
| El Monte   | 107,279   | 106,377   | -0.8   | San Gabriel           | 38,690    | 38,466    | -0.6   |
| El Segundo   | 17,042    | 16,928    | -0.7   | San Marino            | 12,282    | 12,206    | -0.6   |
| Gardena  | 60,090    | 59,809    | -0.5   | Santa Clarita         | 229,039   | 230,659   | 0.7    |
| Glendale   | 192,870   | 191,284   | -0.8   | Santa Fe Springs      | 18,734    | 18,570    | -0.9   |
| Glendora   | 51,571    | 51,159    | -0.8   | Santa Monica          | 91,739    | 91,720    | 0.0    |
| Hawaiian Gardens   | 13,675    | 13,546    | -0.9   | Sierra Madre          | 10,909    | 10,821    | -0.8   |
| Hawthorne  | 86,535    | 85,702    | -1.0   | Signal Hill           | 11,528    | 11,431    | -0.8   |
| Hermosa Beach  | 19,206    | 19,018    | -1.0   | South El Monte        | 19,627    | 19,461    | -0.8   |
| Hidden Hills   | 1,745     | 1,731     | -0.8   | South Gate            | 93,355    | 92,628    | -0.8   |
| Huntington Park  | 53,783    | 53,281    | -0.9   | South Pasadena        | 26,428    | 26,273    | -0.6   |
| Industry   | 428       | 427       | -0.2   | Temple City           | 36,010    | 35,813    | -0.5   |
| Inglewood  | 106,928   | 106,248   | -0.6   | Torrance              | 144,327   | 143,057   | -0.9   |
| Irwindale  | 1,496     | 1,483     | -0.9   | Vernon                | 207       | 205       | -1.0   |
| La Canada Flintridge   | 20,060    | 19,930    | -0.6   | Walnut                | 27,721    | 27,553    | -0.6   |
| La Habra Heights   | 5,564     | 5,505     | -1.1   | West Covina           | 107,642   | 107,893   | 0.2    |
| Lakewood   | 80,900    | 80,154    | -0.9   | West Hollywood        | 34,930    | 34,793    | -0.4   |
| La Mirada  | 48,384    | 47,899    | -1.0   | Westlake Village      | 8,009     | 7,919     | -1.1   |
| Lancaster  | 174,590   | 173,376   | -0.7   | Whittier              | 87,707    | 87,291    | -0.5   |
| La Puente  | 37,594    | 37,356    | -0.6   | Balance of County     | 1,007,586 | 997,999   | -1.0   |

Source: California Dept of Finance (2023)

## California Economy

After appearing to sputter this spring, hiring perked back up in July. California's employers added a nation's best 84,800 jobs in July, marking the largest gain since February. Job gains were broad based, with every major sector except financial activities adding jobs during the month. The resurgence in hiring appears to be driven by a rebound in tech hiring, which added at least 15,600 jobs following several months of more modest gains. Several tech firms have announced plans to slow hiring in recent months, and that caution appeared to be showing up in the data. The latest data cast some doubt on that.

We caution against drawing too many conclusions from the latest data. The monthly data bounce around quite a bit and are subject to significant revisions early each year. We will get a hint as to what those revisions will look like next week, when the county employment data are released on Wednesday. We suspect that the Quarterly Census of Employment and Wage (QCEW) data will show that job growth was a touch stronger than first reported in early 2022, but we also suspect the economy has lost momentum since then.

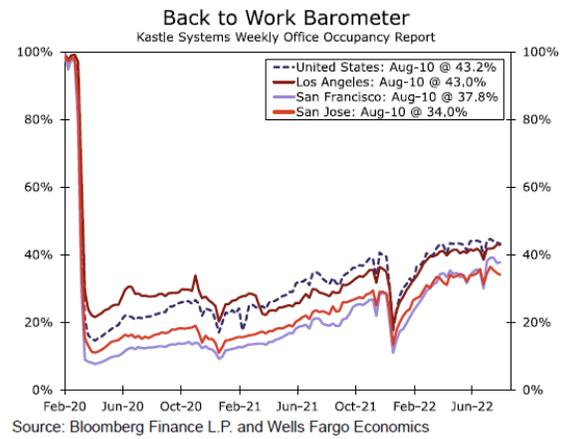
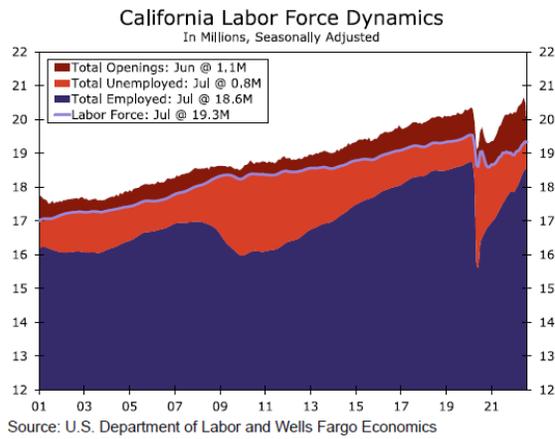
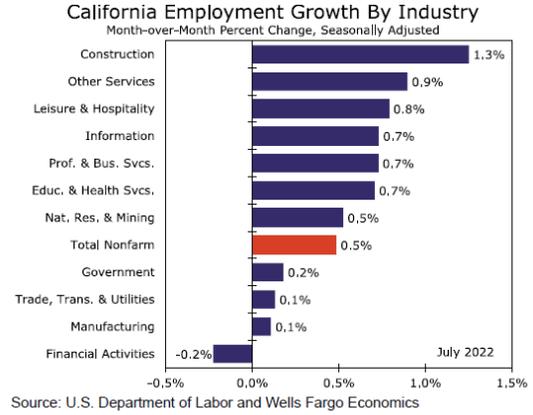
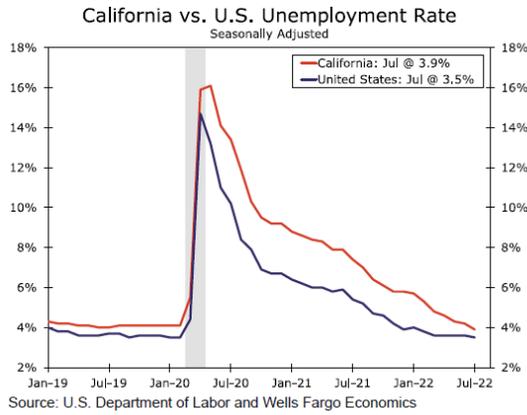
One aspect of the labor market that has clearly cooled off is job openings, which fell by 212,000 in June. California's 15.7% drop was by far the largest of any state and brought job openings back down to the lowest level since August of last year. The job openings rate fell from 7.1% to 6.1% over the month.

The strength in the industry employment data also did not extend to the household survey. The number of employed Californians rose by just 23,500 in July, which is the smallest gain this year. The civilian labor force fell by a similar amount, which resulted in a 46,800-person drop in the number of unemployed. As a result, the unemployment rate tumbled 0.3 percentage points to 3.9%, which is the lowest it has been since data have been collected on a consistent basis in 1976.

### Employment Snaps Back in July, But Questions Remain

- Only a month after appearing to be near the edge of recession, California's economy appears to be catching a second wind, as employers added 84,800 jobs in July.
- Job gains were exceptionally broad based with every industry, except financial activities, adding jobs during July.
- Professional & business services, and education & health services added the most jobs during the month, with both super sectors adding 20,500 jobs. Employment also continued to bounce back in California's leisure & hospitality sector, which added 14,900 jobs.
- Within professional and business services, about half of last month's gain was in professional, scientific & technical services, which is a subsector that captures many of the jobs created in California's tech sector. Hiring also rose solidly in the information sector (+4,400 jobs), another industry group that captures many tech jobs, as well as jobs in California's motion picture business, which also appears to have posted solid job gains in July,

- The bounce back in tech jobs lifted job growth in the Bay Area. The San Jose-Sunnyvale-Santa Clara MSA added 7,000 jobs in July, following a 9,000-job gain the prior month. The San Francisco metro division added 6,700 jobs in July, marking the largest gain since February. Oakland added 4,500 jobs in July, following a 5,500-job gain the prior month. The improvement in hiring in the Bay Area suggests the hiring cooldown announced by many major tech companies has yet to make its way into the employment figures. Job openings have fallen, however, which may be a precursor to slower job growth this fall.
- Southern California accounted for the bulk of California's job growth in July. The Los Angeles metro area added 21,900 jobs in July, while employers in Orange County added 22,300 jobs. Hiring also remained strong in the Inland Empire, which added 9,100 jobs.
- Not only did California see a resurgence in hiring in July, but the state's unemployment rate also fell to a new low, falling 0.3 percentage points to 3.9%, which is the lowest unemployment rate for California since consistent data began being collected in 1976.
- Do not break out the champagne just yet. This past month's number appears to be at odds with the news flow out of many of the state's major employers. The monthly industry survey data are revised early each year to a count of jobs derived from unemployment insurance tax rolls. Data through March 2022 will be released next week and are expected to show stronger job growth for 2021, and quite possibly through March of this year. The news flow has been decidedly less upbeat since March, however, and we expect the final data to show nonfarm employment growth decelerating over the course of this year and next. The household data, which are used to compute the unemployment rate, already show a marked deceleration, with household employment posting its smallest gain of the year in July.



### Current County Economic Conditions

The seasonally adjusted unemployment rate in Los Angeles County increased over the month to 5.2 percent in August 2022 from a revised 4.9 percent in July 2022 and was below the rate of 8.5 percent a year ago. Civilian employment declined by 12,000 to 4,786,000 in August 2022, while unemployment increased by 18,000 to 264,000 over the month. The civilian labor force increased by 5,000 over the month to 5,050,000 in August 2022. All of the above figures are seasonally adjusted. The unadjusted unemployment rate for the county was 4.9 percent in August 2022.

The California seasonally adjusted unemployment rate was 4.1 percent in August 2022, 3.9 percent in July 2022, and 7.0 percent a year ago in August 2021. The comparable estimates for the nation were 3.7 percent in August 2022, 3.5 percent in July 2022, and 5.2 percent a year ago.

Between July 2022 and August 2022, nonfarm employment increased by 8,000, from 4,492,900 to 4,500,900.

- Educational and health services added the most jobs of any sector (up 4,400). Educational and health services have grown consistently over the past decade and have added jobs from July to August in each of the past 10 years, averaging 5,600 job additions. Private educational services increased by 2,500 jobs, with the majority of the gains in colleges, universities, and professional schools (up 1,300). Health care and social assistance also expanded by 1,900 jobs.
- Five other sectors increased over the month, including trade, transportation, and utilities (up 2,000), government (up 1,800), construction (up 900), leisure and hospitality (up 700), and manufacturing (up 400).
- Other services declined by 1,400 jobs with the largest loss in repair and maintenance (down 700). Religious, grants, civic, professional and like organizations contributed to the total sector decline, contracting 500 jobs.
- Information (down 500) and financial activities (down 300) also declined over the month. Mining and logging and professional and business services remained unchanged.
- Between August 2021 and August 2022, nonfarm employment increased by 139,300, or 3.2 percent.
- Trade, transportation, and utilities led all sectors in year-overgrowth, adding 35,000 jobs. Forty-seven percent of these gains occurred in retail trade (up 16,600).
- Transportation, warehousing, and utilities (up 15,500), and wholesale trade (up 2,900) also added jobs.

- Educational and health services added 32,800 jobs over the year. Seventy percent of the employment gains were in health care and social assistance (up 23,000 jobs); social assistance (up 12,900) accounted for just over half of these additions. Private educational services employment grew by 9,800 jobs.
- Six other sectors increased over the year, making-up 66 percent of nonfarm growth: leisure and hospitality (up 30,200), professional and business services (up 30,000), other services (up 14,900), manufacturing (up 8,500), construction (up 8,300), and financial activities (up 100).
- Government declined the most of any sector over the year (down 11,300). Local government documented losses of 13,500 jobs, followed by federal government (down 600), but gains in state government (up 2,800) offset the total sectoral declines. The other employment loss was in information (down 9,200) and mining and logging remained unchanged.

**Largest Employers**

| Employer Name                  | Location       | Industry                                 |
|--------------------------------|----------------|--|
| AHMC Healthcare Inc            | Alhambra       | Health Care Management                   |
| All Nations Church             | Sylmar         | Churches                                 |
| California State Univ NRTHRDG  | Northridge     | Schools-Universities & Colleges Academic |
| Cedars-Sinai Health System     | West Hollywood | Health Care Management                   |
| Infineon Technologies Americas | El Segundo     | Semiconductor Devices (mfrs)             |
| Kaiser Permanente Los Angeles  | Los Angeles    | Hospitals                                |
| Live Nation                    | Los Angeles    | Entertainment Bureaus                    |
| Long Beach City Hall           | Long Beach     | City Hall                                |
| Longshore Dispatch             | Wilmington     | Nonclassified Establishments             |
| Los Angeles County Sheriff     | Monterey Park  | Government Offices-County                |
| Los Angeles Intl Airport-Lax   | Los Angeles    | Airports                                 |
| Los Angeles Medical Ctr        | Los Angeles    | Pathologists                             |
| Los Angeles Police Dept        | Los Angeles    | Police Departments                       |
| National Institutes of Health  | Pasadena       | Physicians & Surgeons                    |
| Security Industry Specialist   | Culver City    | Security Systems Consultants             |
| Six Flags                      | Valencia       | Amusement & Theme Parks                  |
| Sony Pictures Entrtn Inc       | Culver City    | Motion Picture Producers & Studios       |
| Space Exploration Tech Corp    | Hawthorne      | Aerospace Industries (mfrs)              |
| Twentieth Century Fox          | Los Angeles    | Motion Picture Producers & Studios       |
| UCLA Community Based Learning  | Los Angeles    | Junior-Community College-Tech Institutes |
| University of Ca Los Angeles   | Los Angeles    | Schools-Universities & Colleges Academic |
| University of Ca Los Angeles   | Los Angeles    | University-College Dept/Facility/Office  |
| Vision X                       | Los Angeles    | Call Centers                             |
| Walt Disney Co                 | Burbank        | Water Parks                              |
| Water Garden Management        | Santa Monica   | Office Buildings & Parks                 |

Source: America's Labor Market Information System (ALMIS) Employer Database – 2022

### **County Transportation**

Los Angeles County is served by a diversified transportation system, including highways, freeways, rail, airports, and seaports.

*Freeways:* The system serves the entire county, connecting it with surrounding counties in Southern California. Major north/south freeways include the San Diego (I-405), the Golden State (I-5), the Harbor (110), and the Long Beach (I-710). Major east/west freeways serving the county are the Ventura (I-101 and 134), the Hollywood (I-101), the Santa Monica/San Bernardino (I-10), and the Pomona (I-60).

*Water:* The ports of Los Angeles and Long Beach offer a combined 10,500 acres of land and some 40-miles of waterways. These modern facilities manage a variety of cargo classifications, including container, dry bulk, liquid bulk, auto and general cargo. On a combined basis, these two deep-water ports rank third in the world in container handling, after Hong Kong and Singapore.

*Air:* Los Angeles International Airport (LAX) is a major transportation hub both for passengers and cargo and has experienced substantial growth over the past 15 years. In fact, LAX ranks third in the world for the number of passengers and tonnage of air cargo managed.

*Rail:* Services include Southern Pacific Railway, which operates freight service and Amtrak trains. Major switching facilities are located near downtown and in the South Bay area. The Metro Blue, Red and Green Lines provide commuter rail services. In addition to the Metro Rail Lines, Los Angeles County is served by the Metro Link, a commuter train system that connects commuters living and working in six counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura.

### **CONCLUSION – Market Area Analysis**

The size, centrality, and diversity of the Greater Los Angeles' economic base is expected to insulate it from the harshest effects of a national recessionary climate. The City of Los Angeles has held a premier position in the world for several years due to its leading role among the trading nations of the Pacific Rim, its extensive and still-developing transportation systems, its vast marketplace in terms of total purchasing power and diversity of consumers, and the establishment of various industrial and commercial headquarters in the city. The region is well positioned to continue economic leadership in the Pacific Rim and the rest of the state and country. Ultimately, the positive features of the Greater Los Angeles area including favorable climate, cultural appeal, and historic presence as a leading metropolitan area are considered to be beneficial traits and are expected to be sufficient to maintain the region as a leading commercial and economic center and should serve as a means of sustaining future economic growth.

## City of Los Angeles

The City of Los Angeles represents the cornerstone of the Southern California metropolitan area. It is the largest city in California in regard to population and land area. It is the second largest city in the United States. The city encompasses approximately 470 square miles and operates under a council-mayor form of government. It was originally founded in 1781 and was incorporated in 1850.

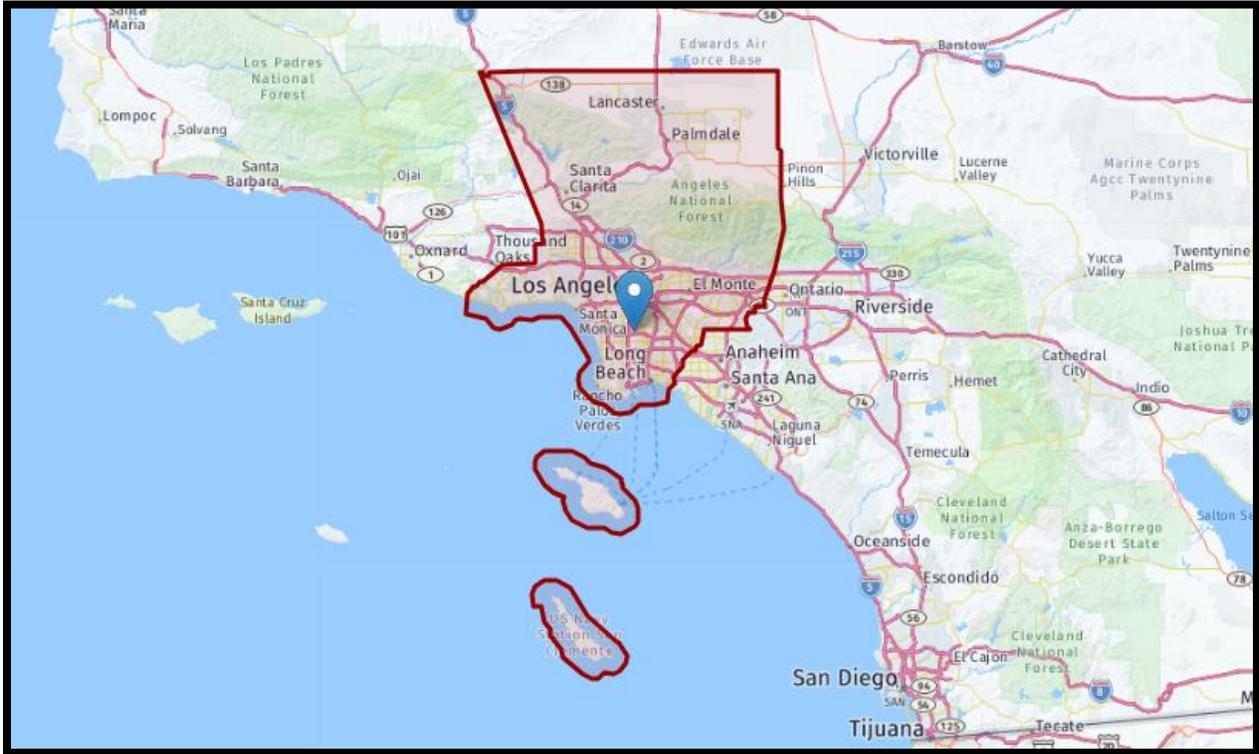
The City of Los Angeles' population has increased steadily over the decades due largely to its favorable climate, industrial base and job growth. The overall rate of population growth was greater prior to the 1990's, when a national recession coupled with a major downturn in the local aerospace industry had a significant impact of the region. Although not up to the growth rates seen prior to the recession, the rate of population growth is again on the rise.

Transportation systems servicing the city include shipping (Los Angeles & Long Beach Harbors), air transport (Los Angeles International Airport, Long Beach Airport, Burbank Airport, and other regional airports), an extensive interstate and intrastate highway system, and an established railway system. The burgeoning population of the greater Los Angeles area has in the past two decades given rise to an expanding light railway system, as well as additional freeways and traffic corridors to facilitate commuters.

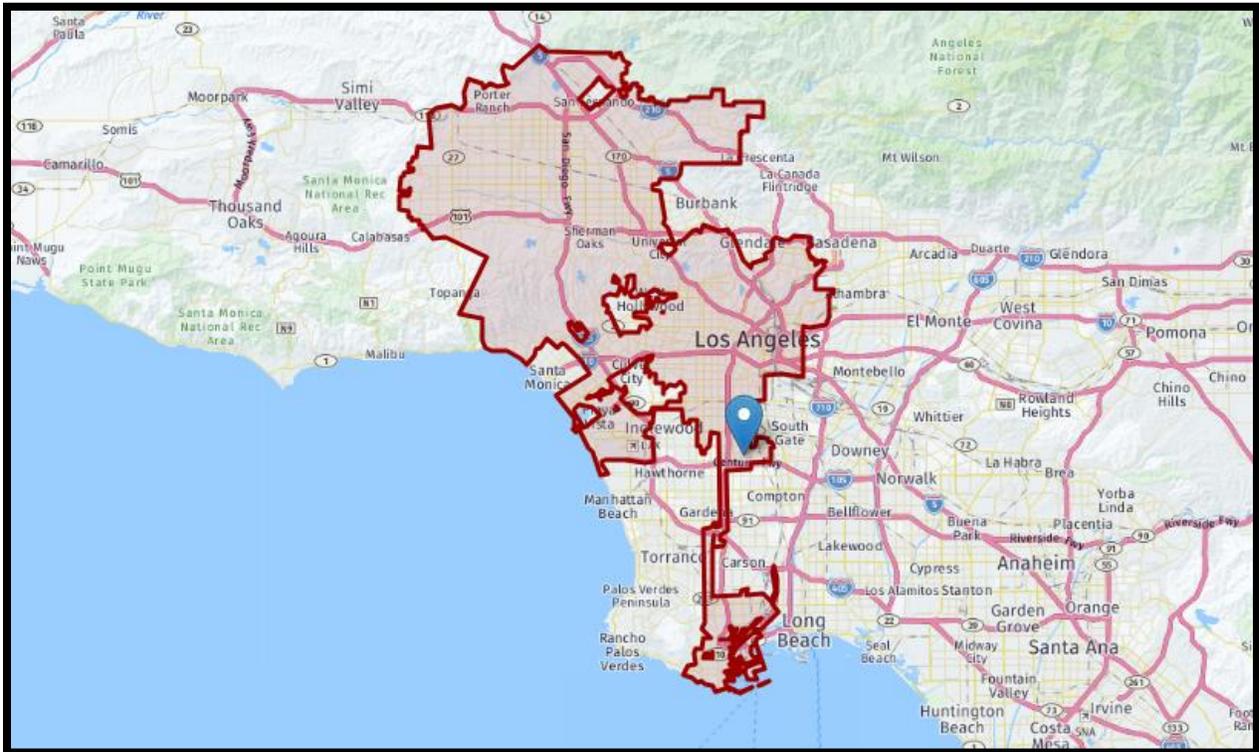
The City of Los Angeles is unusual amongst American cities in that while it has a successful downtown commercial district, the city as a whole has a long history of annexing adjacent communities, which has resulted in an expansion reflective of a "Multiple Nuclei Model", whereby multiple cities/communities with their own central business districts and radiating growth patterns have merged over the years into what is now becoming a megalopolis, with multiple core business districts and residential areas that have their own unique dynamics. For example, in addition to the downtown Los Angeles central business district, there are other successful suburban districts including the Westside and San Fernando Valley, as well as culturally founded communities such as Chinatown, Little Tokyo and Koreatown.

The greater Los Angeles area has become the nation's number two business center, second only to New York. The area's economic expansion has created important challenges to the continuity of future growth, both in the greater Los Angeles area and the city itself. Among these challenges are affordable housing, transportation, air quality, water supply and the community infrastructure. Public policy, technology and competition will continue to reshape the manufacturing, commercial and industrial marketplaces of the city.

**Boundary Map – Los Angeles County**



**Boundary Map – City of Los Angeles**



## Neighborhood Description

The subject property is located at 710 E 111th Place, in the city of Los Angeles, California. The site is an interior lot adjacent to Stanford Community Garden and approximately 2 miles northwest of the Martin Luther King Jr. Community Hospital.

Along 111<sup>th</sup> Place, is a mix of residential and industrial properties. At the intersection of E 111th Place and Avalon Boulevard, approximately 0.2 miles west from the subject are retail properties including Sinclair Gas Station, Tacos Juliet, Piara Pizza, and Best in LA Barbershop.

Vehicular ingress/egress is provided along 111th Place. The road is directly connected to Avalon Boulevard – a main north/south thoroughfare providing direct access to subject property.

Freeway access to the subject property is considered to be good with the Glenn Anderson Freeway (Interstate 105) and Harbor Freeway (Interstate 110) located south and north of the subject. Glenn Anderson Freeway (Interstate 105) nearest ingress and egress ramps is located approximately 0.55 driving miles at Central Avenue.

The market area of the subject is nearly built-up with a limited amount of vacant land available for new development. Any new development projects are typically redevelopment of older existing uses.

Overall, the subject neighborhood is considered to be an older, stable, well-established industrial, commercial, and residential area. Access to and from the neighborhood is considered to be good due to the proximity of several arterial streets and freeways. The subject property is well positioned to service the surrounding population.



Community Profile



**Community Profile**

710 E 111th Pl, Los Angeles, California, 90059  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 33.93391  
Longitude: -118.26235

|                               | 1 mile | 3 miles | 5 miles   |
|-------------------------------|--------|---------|-----------|
| <b>Population Summary</b>     |        |         |           |
| 2010 Total Population         | 46,030 | 392,011 | 1,045,569 |
| 2020 Total Population         | 49,529 | 407,895 | 1,060,169 |
| 2020 Group Quarters           | 584    | 5,765   | 12,225    |
| 2023 Total Population         | 48,762 | 404,446 | 1,049,157 |
| 2023 Group Quarters           | 584    | 5,765   | 12,212    |
| 2028 Total Population         | 47,860 | 400,156 | 1,037,240 |
| 2023-2028 Annual Rate         | -0.37% | -0.21%  | -0.23%    |
| 2023 Total Daytime Population | 36,229 | 322,195 | 863,339   |
| Workers                       | 5,242  | 73,810  | 239,983   |
| Residents                     | 30,987 | 248,385 | 623,356   |
| <b>Household Summary</b>      |        |         |           |
| 2010 Households               | 11,091 | 97,554  | 272,139   |
| 2010 Average Household Size   | 4.11   | 3.97    | 3.81      |
| 2020 Total Households         | 12,319 | 105,477 | 289,375   |
| 2020 Average Household Size   | 3.97   | 3.81    | 3.62      |
| 2023 Households               | 12,171 | 105,094 | 287,778   |
| 2023 Average Household Size   | 3.96   | 3.79    | 3.60      |
| 2028 Households               | 12,038 | 104,866 | 287,131   |
| 2028 Average Household Size   | 3.93   | 3.76    | 3.57      |
| 2023-2028 Annual Rate         | -0.22% | -0.04%  | -0.05%    |
| 2010 Families                 | 9,146  | 79,061  | 216,867   |
| 2010 Average Family Size      | 4.38   | 4.29    | 4.17      |
| 2023 Families                 | 10,015 | 84,951  | 228,664   |
| 2023 Average Family Size      | 4.24   | 4.11    | 3.96      |
| 2028 Families                 | 9,922  | 84,901  | 228,477   |
| 2028 Average Family Size      | 4.20   | 4.07    | 3.92      |
| 2023-2028 Annual Rate         | -0.19% | -0.01%  | -0.02%    |
| <b>Housing Unit Summary</b>   |        |         |           |
| 2000 Housing Units            | 11,398 | 100,409 | 282,387   |
| Owner Occupied Housing Units  | 37.1%  | 39.0%   | 39.3%     |
| Renter Occupied Housing Units | 53.5%  | 53.3%   | 54.4%     |
| Vacant Housing Units          | 9.4%   | 7.7%    | 6.3%      |
| 2010 Housing Units            | 12,103 | 104,944 | 289,028   |
| Owner Occupied Housing Units  | 35.1%  | 37.5%   | 38.7%     |
| Renter Occupied Housing Units | 56.5%  | 55.4%   | 55.4%     |
| Vacant Housing Units          | 8.4%   | 7.0%    | 5.8%      |
| 2020 Housing Units            | 12,675 | 109,090 | 298,797   |
| Owner Occupied Housing Units  | 36.9%  | 38.7%   | 39.3%     |
| Renter Occupied Housing Units | 60.3%  | 58.0%   | 57.6%     |
| Vacant Housing Units          | 2.9%   | 3.3%    | 3.1%      |
| 2023 Housing Units            | 12,576 | 109,109 | 298,399   |
| Owner Occupied Housing Units  | 36.1%  | 38.3%   | 39.1%     |
| Renter Occupied Housing Units | 60.7%  | 58.0%   | 57.3%     |
| Vacant Housing Units          | 3.2%   | 3.7%    | 3.6%      |
| 2028 Housing Units            | 12,609 | 109,744 | 300,534   |
| Owner Occupied Housing Units  | 36.5%  | 38.8%   | 39.6%     |
| Renter Occupied Housing Units | 59.0%  | 56.7%   | 55.9%     |
| Vacant Housing Units          | 4.5%   | 4.4%    | 4.5%      |

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

**Source:** Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

March 21, 2024



### Community Profile

710 E 111th Pl, Los Angeles, California, 90059  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 33.93391  
Longitude: -118.26235

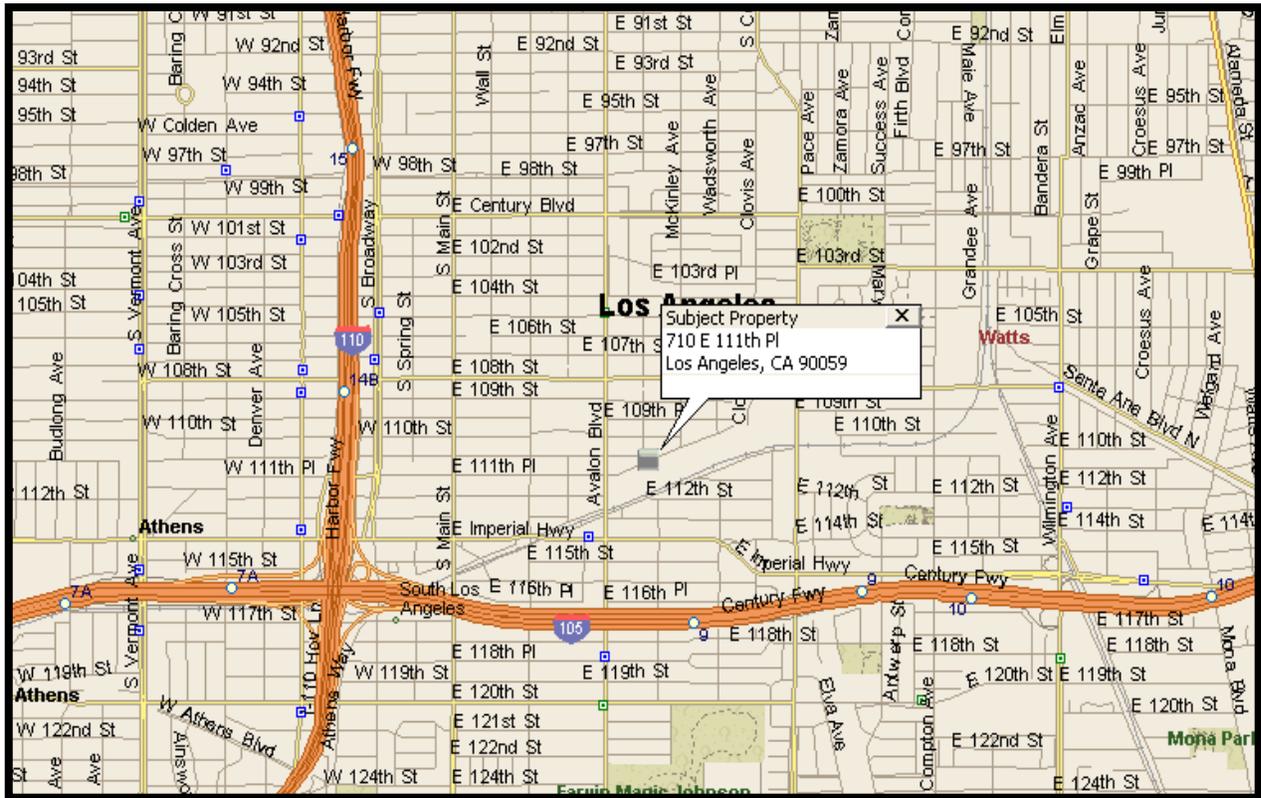
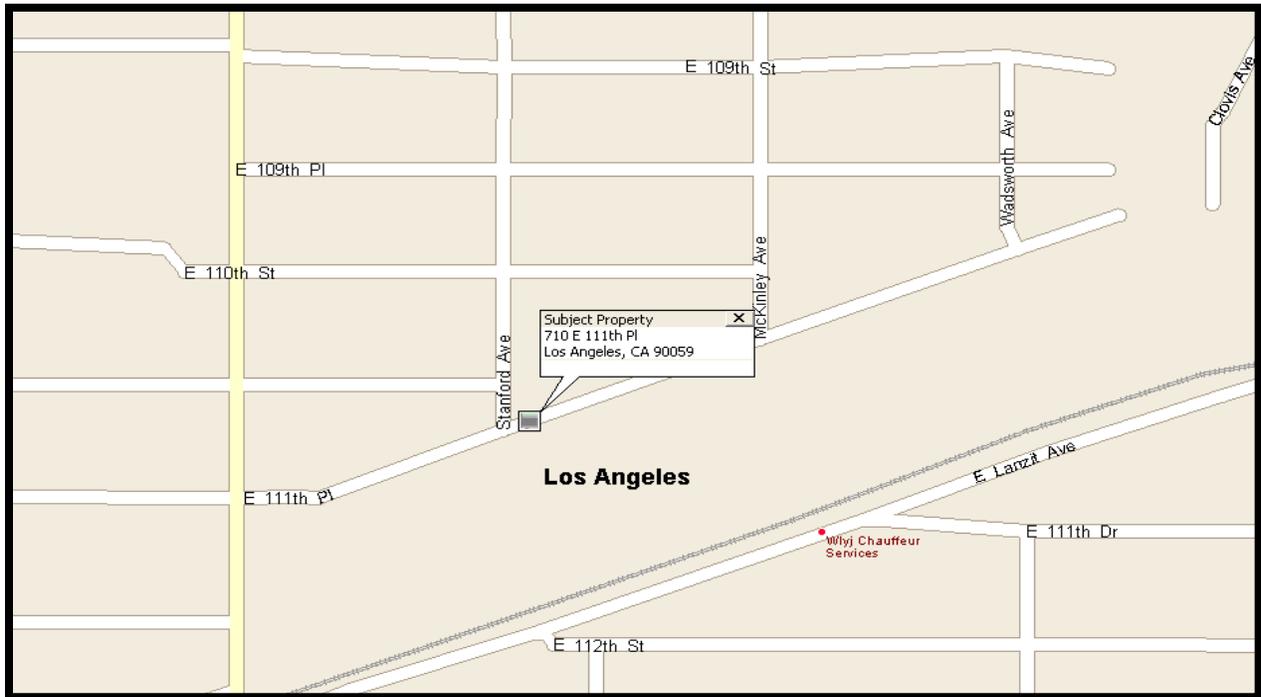
|   | 1 mile    | 3 miles   | 5 miles   |
|---|-----------|-----------|-----------|
| <b>2023 Households by Income</b>                  |           |           |           |
| Household Income Base                             | 12,171    | 105,092   | 287,776   |
| <\$15,000   | 19.9%     | 16.5%     | 13.7%     |
| \$15,000 - \$24,999                               | 11.4%     | 9.8%      | 8.9%      |
| \$25,000 - \$34,999                               | 8.2%      | 9.1%      | 9.0%      |
| \$35,000 - \$49,999                               | 12.9%     | 11.4%     | 11.6%     |
| \$50,000 - \$74,999                               | 16.7%     | 17.1%     | 18.0%     |
| \$75,000 - \$99,999                               | 10.3%     | 13.8%     | 13.8%     |
| \$100,000 - \$149,999                             | 12.7%     | 14.3%     | 14.8%     |
| \$150,000 - \$199,999                             | 5.0%      | 5.0%      | 6.2%      |
| \$200,000+  | 2.8%      | 3.0%      | 4.1%      |
| Average Household Income                          | \$66,694  | \$71,899  | \$78,284  |
| <b>2028 Households by Income</b>                  |           |           |           |
| Household Income Base                             | 12,038    | 104,864   | 287,129   |
| <\$15,000   | 18.8%     | 15.3%     | 12.5%     |
| \$15,000 - \$24,999                               | 9.1%      | 7.9%      | 7.0%      |
| \$25,000 - \$34,999                               | 7.5%      | 7.7%      | 7.6%      |
| \$35,000 - \$49,999                               | 11.6%     | 9.8%      | 10.0%     |
| \$50,000 - \$74,999                               | 16.0%     | 16.5%     | 17.3%     |
| \$75,000 - \$99,999                               | 10.9%     | 15.1%     | 14.6%     |
| \$100,000 - \$149,999                             | 15.4%     | 17.0%     | 17.4%     |
| \$150,000 - \$199,999                             | 6.7%      | 6.6%      | 8.2%      |
| \$200,000+  | 4.0%      | 4.1%      | 5.5%      |
| Average Household Income                          | \$78,388  | \$83,781  | \$91,713  |
| <b>2023 Owner Occupied Housing Units by Value</b> |           |           |           |
| Total   | 4,542     | 41,784    | 116,701   |
| <\$50,000   | 1.2%      | 2.9%      | 2.3%      |
| \$50,000 - \$99,999                               | 1.1%      | 1.1%      | 1.1%      |
| \$100,000 - \$149,999                             | 2.0%      | 0.9%      | 0.8%      |
| \$150,000 - \$199,999                             | 1.9%      | 0.7%      | 0.5%      |
| \$200,000 - \$249,999                             | 2.2%      | 1.9%      | 1.2%      |
| \$250,000 - \$299,999                             | 5.4%      | 2.5%      | 1.6%      |
| \$300,000 - \$399,999                             | 20.1%     | 13.7%     | 9.8%      |
| \$400,000 - \$499,999                             | 20.7%     | 17.2%     | 15.0%     |
| \$500,000 - \$749,999                             | 29.5%     | 40.1%     | 44.6%     |
| \$750,000 - \$999,999                             | 9.2%      | 10.4%     | 14.0%     |
| \$1,000,000 - \$1,499,999                         | 2.7%      | 3.9%      | 4.3%      |
| \$1,500,000 - \$1,999,999                         | 2.0%      | 1.8%      | 1.6%      |
| \$2,000,000 +                                     | 2.1%      | 2.8%      | 3.2%      |
| Average Home Value                                | \$570,833 | \$627,095 | \$666,467 |
| <b>2028 Owner Occupied Housing Units by Value</b> |           |           |           |
| Total   | 4,599     | 42,599    | 119,116   |
| <\$50,000   | 1.0%      | 2.6%      | 1.9%      |
| \$50,000 - \$99,999                               | 1.1%      | 1.0%      | 1.1%      |
| \$100,000 - \$149,999                             | 1.3%      | 0.6%      | 0.5%      |
| \$150,000 - \$199,999                             | 1.2%      | 0.4%      | 0.3%      |
| \$200,000 - \$249,999                             | 1.5%      | 1.4%      | 0.9%      |
| \$250,000 - \$299,999                             | 3.9%      | 1.7%      | 1.1%      |
| \$300,000 - \$399,999                             | 17.7%     | 11.4%     | 7.9%      |
| \$400,000 - \$499,999                             | 19.1%     | 15.3%     | 13.1%     |
| \$500,000 - \$749,999                             | 29.2%     | 39.1%     | 42.1%     |
| \$750,000 - \$999,999                             | 12.2%     | 13.2%     | 17.2%     |
| \$1,000,000 - \$1,499,999                         | 4.2%      | 5.5%      | 6.0%      |
| \$1,500,000 - \$1,999,999                         | 3.3%      | 3.0%      | 2.6%      |
| \$2,000,000 +                                     | 4.3%      | 4.8%      | 5.3%      |
| Average Home Value                                | \$662,557 | \$708,998 | \$747,248 |

**Data Note:** Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

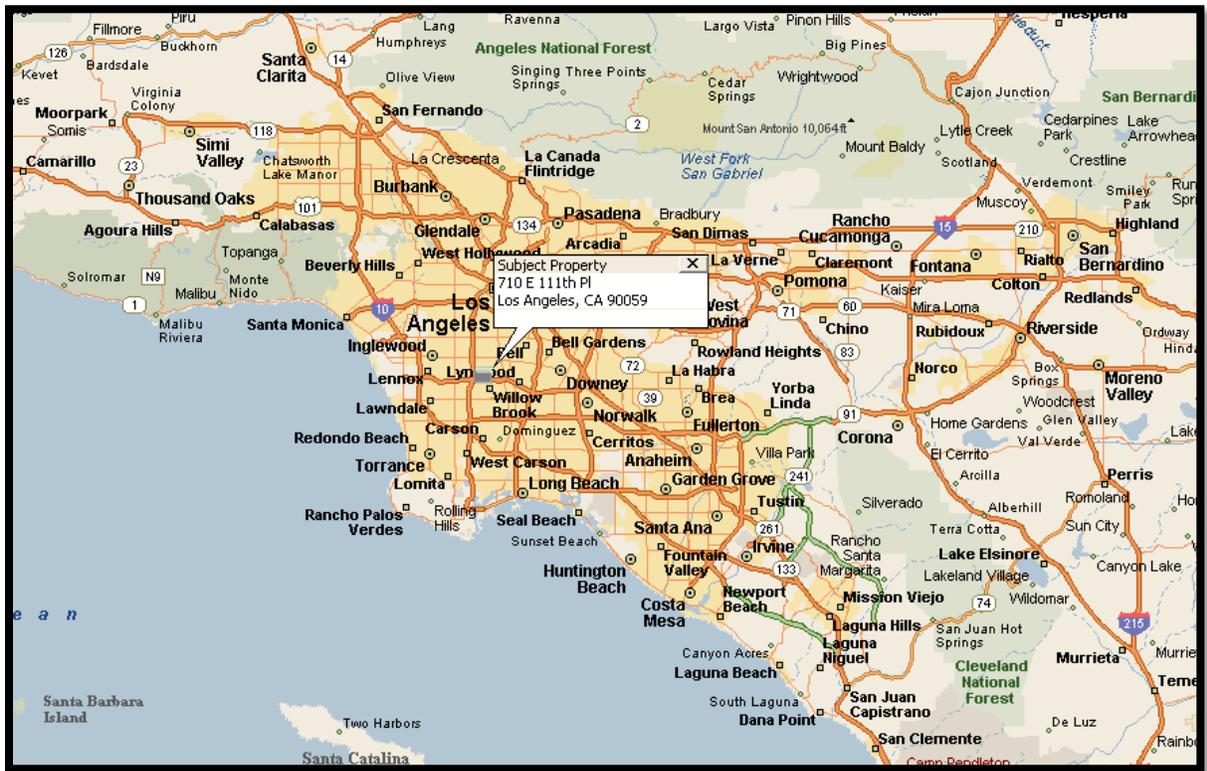
**Source:** Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

March 21, 2024

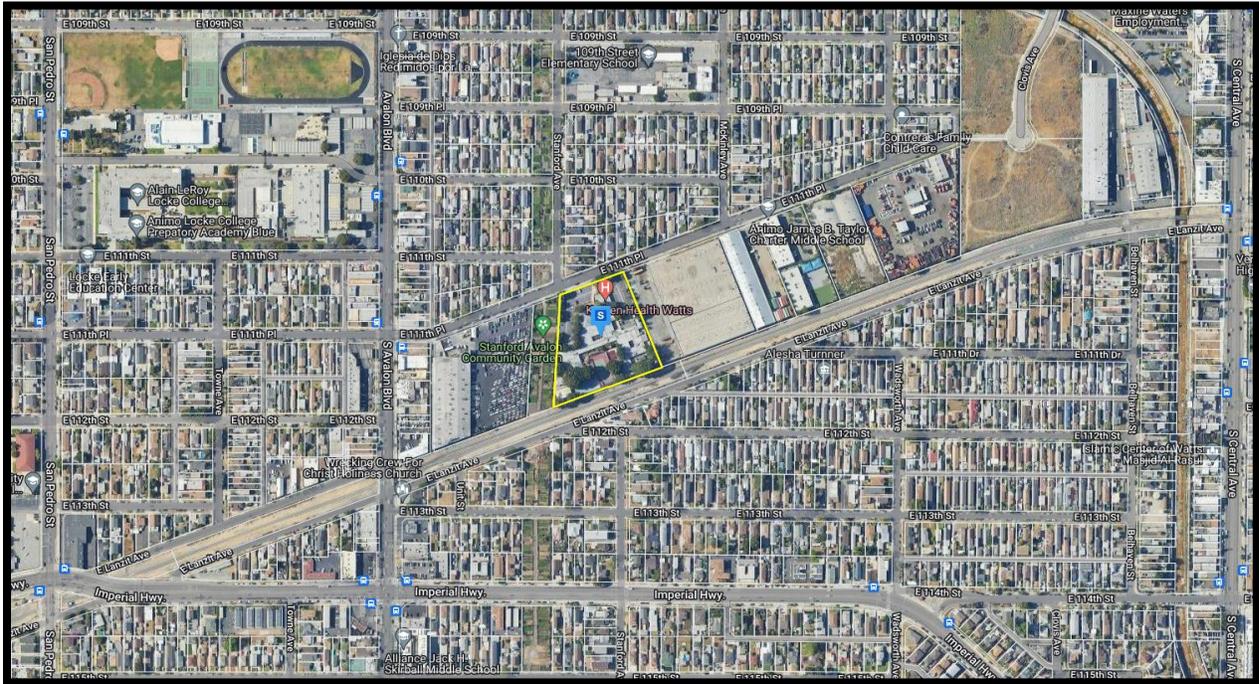
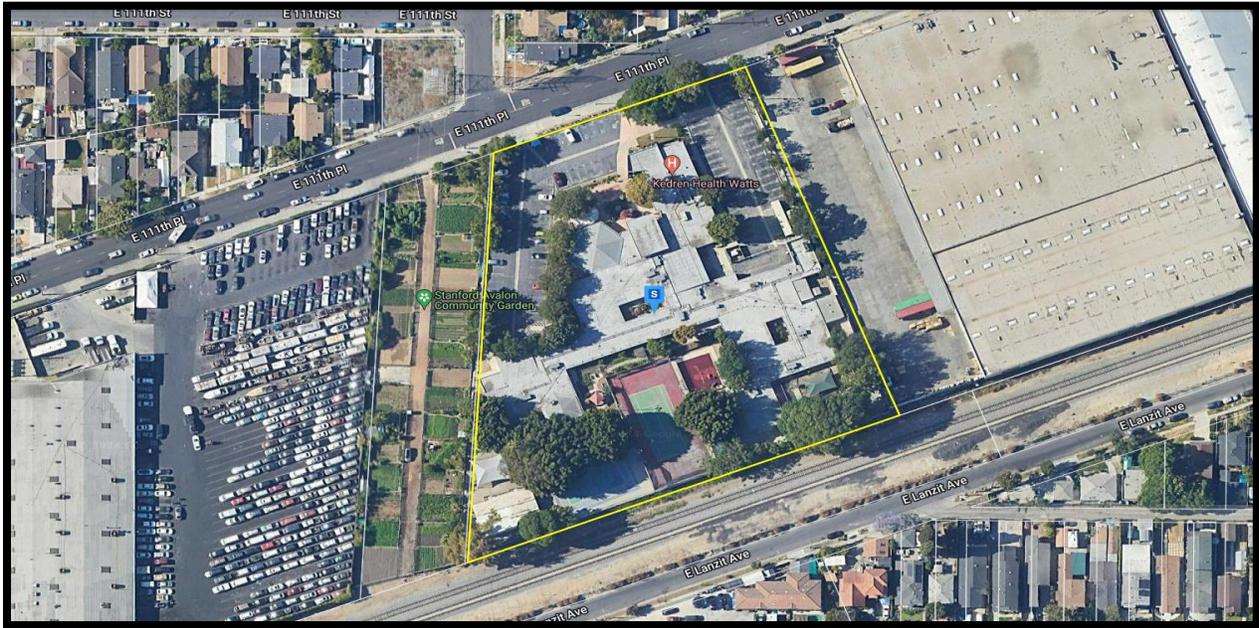
Location Maps



Location Maps (continued)



Aerial Photos – DataTree



**Aerial Photos – Google Earth**



Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023



FIGURES | GREATER LOS ANGELES | Q4 2023 | MEDICAL OFFICE

# Medical leasing accelerates through the end of 2023

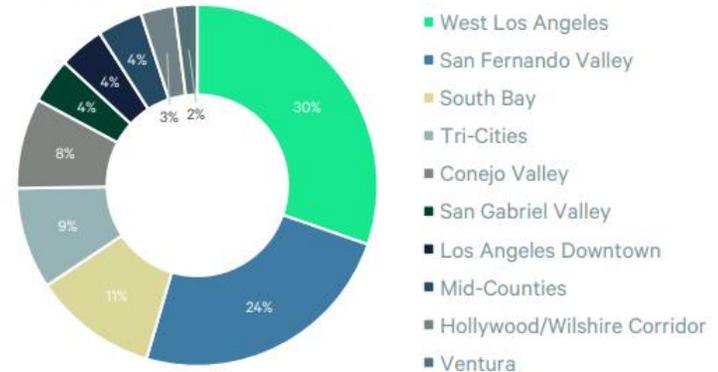


Note: Arrows indicate change from previous quarter.

**Overview**

- Greater Los Angeles (GLA) vacancy decreased by 320 basis points, attributable to ongoing tenant consolidation and expansion; representing the third consecutive quarter of declining vacancy.
- Average asking rates increased by \$0.12 quarter-over-quarter.
- Greater Los Angeles reported positive net absorption after six consecutive quarters of occupancy declines.
- New leases in the South Bay drove absorption in Q4 2023.
- The total availability rate slightly increased by only 3 basis points quarter-over-quarter, interrupting the decreasing trend observed over the previous three quarters.
- Total sales volume increased by 92% quarter-over-quarter. There was over 1 million sq. ft. of MOB listed for sale on the market.

FIGURE 1: Overall Availability Distribution by Submarket



Source: CBRE Research, Q4, 2023

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Market Fundamentals

Lease Rate

Average asking rates increased to \$3.98. The highest rate increase occurred in the Hollywood/Wilshire Corridor submarket (\$0.3 increase) and the South Bay submarket (\$0.28 increase). Each submarket registered an increase in rates except Ventura County, which saw a minor decrease of \$0.02. This quarter also recorded the second-highest rate increase, exceeding 3% compared to the last quarter.

Leasing Activity & Absorption

The leasing activity witnessed a quarter-over-quarter upsurge of 750 basis points, exemplifying the enduring resilience of the Healthcare sector. National or state-owned medical institutions continue to play a pivotal role in both new leases and renewals.

With a net absorption of 61,906 square feet, the GLA MOB market displayed robust demand as it closed in the year 2023. This quarter also marked the highest net absorption ever recorded since the fourth quarter of 2018, indicating an unprecedented level of occupier confidence in MOB utilization.

Availability and Vacancy

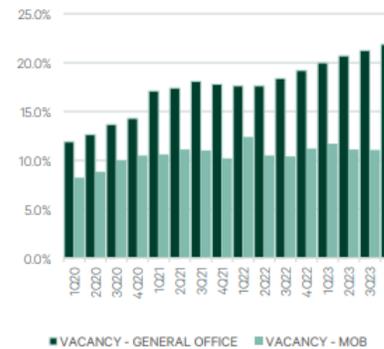
Despite the ongoing increase in general office vacancy in the GLA area, the Medical Office Building sector observed a decrease of 34 basis points in overall vacancy on a quarter-over-quarter basis. Conversely, the market recorded a decrease of 49 basis points on a year-over-year basis. This denotes the fourth consecutive quarter of a declining trend in vacancy rates. The availability rate experienced a slight, almost negligible, increase of 3 basis points in comparison to the previous quarter.

FIGURE 2: Largest Leases of the Quarter

| Tenant                                      | District      | Total Sq. Ft. | Lease Type |
|---|---------------|---------------|------------|
| Thousand Oaks Surgical Hospital             | Thousand Oaks | 46,830        | Renewal    |
| Hospital Association of Southern California | Downtown LA   | 22,097        | Renewal    |
| Confidential                                | Alhambra      | 20,008        | Renewal    |
| United Medical Doctors                      | Ventura       | 20,000        | New Lease  |
| Confidential                                | Playa Vista   | 19,647        | Renewal    |

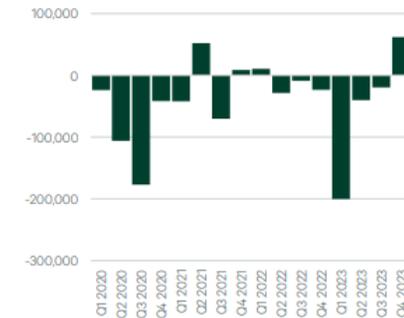
Source: CBRE Research, Q4 2023

FIGURE 3: Vacancy Rate General Office vs. MOB



Source: CBRE Research, Q4 2023

FIGURE 4: Net Absorption (MSF)



Source: CBRE Research, Q4 2023

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

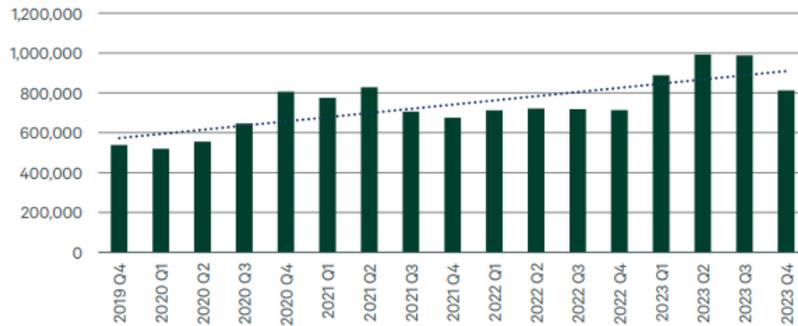
Trend Highlight

Non-MOB, Medical Use Space

The availability of leases for non-MOB medical properties continued to decrease into the closing stages of 2023, marking the lowest point for this metric within the year. The constrained supply of new MOB developments, coupled with the gradual increase in available spaces, still renders the non-MOB trend attractive to medical tenants. In particular, industrial spaces have been gaining increased attention. It has been observed that more institutional tenants are exploring new opportunities within this property type. Throughout the course of the year, non-MOB properties have demonstrated an unprecedented level of medical leasing activity, setting a new historical precedent.

Given these current market dynamics, it is anticipated that this trend will persist until the market sees a significant addition of new MOB developments. The continuous growth in non-MOB leasing activity underscores the critical role these properties play in meeting the space demands of medical tenants, particularly in the face of limited MOB development. This trend is likely to influence future investment and development strategies in the medical property sector.

FIGURE 5: Non-MOB, Medical Lease Availability (Sq. Ft.) and Trend



Source: CBRE Research, CoStar Q4, 2023.

FIGURE 6: Medical Leases in Non-MOB Properties YTD

| Tenant                    | District     | Lease Type | Total Sq. Ft. | Property Type |
|---------------------------|--------------|------------|---------------|---------------|
| AltaMed                   | Bellflower   | New Lease  | 17,504        | Industrial    |
| American Specialty Health | Newbury Park | New Lease  | 11,875        | Industrial    |
| Confidential              | Burbank      | Renewal    | 10,100        | Industrial    |
| Texas Health Care         | Monrovia     | New Lease  | 7,778         | Industrial    |

Source: CBRE Research, Q4 2023.

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Investment Markets

Investment Volumes

The total sales volume for the quarter exceeded \$52 million, marking a considerable increase of over 92% compared to the preceding quarter. Private owners were involved in more than half of these transactions. Capitalization rates for 2023 have shown a consistent upward trend since the year 2021. The year 2023 has seen over 1 million square feet of Medical Office Building (MOB) space listed for sale, nearly twice the volume compared to 2022, with over a third of these listings already sold. The quantity of properties available for sale continues to escalate, reaching an unprecedented high. A significant factor contributing to this surge is the listing of St. Vincent Medical Center, located in proximity to downtown Los Angeles. This 381-bed hospital in Westlake has remained unoccupied over the past two years. Briefly, it served as a COVID-19 treatment center during the pandemic, standing as one of the largest medical facilities in the downtown Los Angeles region.

FIGURE 7: Sale Price vs Cap Rate (MSF)



Source: CBRE Research, CoStar Q4 2023.

FIGURE 8: Top Sale Transactions

| Address                   | City          | Total Sq. Ft. | Sale Price   | Buyer                         | Seller                              |
|---------------------------|---------------|---------------|--------------|-------------------------------|-------------------------------------|
| 1045 W Redondo Beach Blvd | Gardena       | 114,364       | \$22,000,000 | City Of Refuge Ministries Inc | Jamison Services, Inc.              |
| 2699 Atlantic Ave         | Long Beach    | 35,000        | \$17,100,000 | UnitedHealth Group            | Gregory Strayer                     |
| 750 N Diamond Bar Blvd    | Diamond Bar   | 36,360        | \$9,700,000  | Wei Yao Wang                  | Primior Asset Management            |
| 27335 Tourney Rd          | Valencia      | 45,675        | \$2,846,000  | Valencia Sports Medicine      | M/M Gregory A. & Suzanne H. McCombs |
| 1000 Newbury Rd           | Thousand Oaks | 65,696        | \$650,000    | Newbury Holdings LLC          | Johann J Yung                       |

Source: CBRE Research, CoStar Q4 2023.

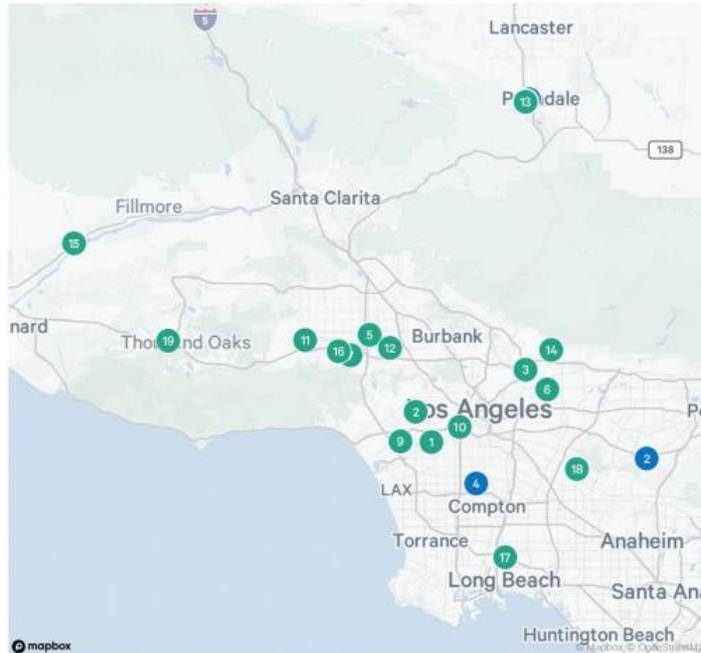
Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Development

FIGURE 9: Greater Los Angeles MOB Development Map

- Under Construction**
- 1 590 S Fair Oaks Ave  
Pasadena, CA, 91105
- 2 Rowland Heights, CA, 91748
- 3 635 Commercial Ave  
Palmdale, CA, 93551
- 4 1465 E 103rd St  
Los Angeles, CA, 90002
- Proposed**
- 5 3772 W Martin Luther King Jr Blvd  
Los Angeles, CA, 90008
- 6 616 S San Vicente Blvd  
Los Angeles, CA, 90048
- 7 565 S Arroyo Pkwy  
Pasadena, CA, 91105
- 8 356 W Palmdale Blvd  
Palmdale, CA, 93551
- 9 6225 Vanowen St  
Van Nuys, CA, 91405
- 10 330 W Las Tunas Dr  
San Gabriel, CA, 91776
- 11 17017 Vantura Blvd  
Encino, CA, 91316
- 12 2632 E Washington Blvd  
Pasadena, CA, 91107
- 13 10336 Culver Blvd  
Culver City, CA, 90232
- 14 1127 W Washington Blvd  
Los Angeles, CA, 90015
- 15 6336 Caroga Ave  
Woodland Hills, CA, 91367
- 16 13301 Burbank Blvd  
Van Nuys, CA, 91401
- 17 38707 Tierra Subida Ave  
Palmdale, CA, 93551
- 18 2632 E Washington Blvd  
Pasadena, CA, 91107
- 19 560 E Harvard Blvd  
Santa Paula, CA, 93060
- 20 5223 Lindley Ave  
Tarzana, CA, 91356
- 21 3450 Long Beach Blvd  
Long Beach, CA, 90807
- 22 12549 Washington Blvd  
Whittier, CA, 90602
- 23 420 Pennfield Pl  
Thousand Oaks, CA, 91360



|   |   |   |
|---|---|---|
|  |  |  |
| 102,250 SF<br>Under Construction  | 62,800 SF<br>Delivered Q4 2023  | 1,457,038 SF<br>Proposed  |

In the final quarter of 2023, only two MOB were delivered in the GLA market. 1465 E 103rd St is owner-occupied by Kaiser Permanente and serves a dual purpose, functioning as both a healthcare facility and an educational center. Notably, there were no properties introduced into our proposed or under-construction pipeline during Q4 2023.

From 2022 onwards, a mere four MOB have been delivered, with only one of these being utilized for medical or healthcare services. The prevailing uncertainty in the macroeconomic environment continues to negatively influence investor confidence in the current capital markets. The situation is exacerbated by rising interest rates, escalating construction costs, and a dearth of new funding from the National Institutes of Health (NIH) and Venture Capital (VC).

Additionally, the medical professional strike that transpired in November highlighted the long-standing issue of labor costs in the industry, which is expected to exert substantial negative pressure on the medical business.

Source: CBRE Research, CoStar Q4 2023.

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Appendix 1

| Submarket - District               | Bldg Count | Bldg NRA         | Avg. Asking Lease Rate (\$) | Direct Vacant Sq. Ft. | Sublease Vacant Sq. Ft. | Total Vacant Sq. Ft. | Overall Vacancy (%) | Total Available Sq. Ft. | Current Net Absorption | YTD Net Absorption |
|------------------------------------|------------|------------------|-----------------------------|-----------------------|-------------------------|----------------------|---------------------|-------------------------|------------------------|--------------------|
| Agoura Hills                       | 3          | 125,511          | \$3.23                      | 10,245                | 0                       | 10,245               | 8.2%                | 15,109                  | 0                      | (651)              |
| Thousand Oaks                      | 17         | 788,979          | \$3.65                      | 181,281               | 0                       | 181,281              | 23.0%               | 183,521                 | 11,616                 | 12,995             |
| Westlake Village                   | 1          | 29,194           | \$4.35                      | 4,617                 | 4,604                   | 9,221                | 31.6%               | 6,625                   | (987)                  | (8,320)            |
| <b>CONEJO VALLEY</b>               | <b>21</b>  | <b>943,684</b>   | <b>\$3.64</b>               | <b>196,143</b>        | <b>4,604</b>            | <b>200,747</b>       | <b>21.3%</b>        | <b>205,255</b>          | <b>10,629</b>          | <b>4,024</b>       |
| Hollywood                          | 2          | 106,177          | \$3.00                      | 8,810                 | 0                       | 8,810                | 8.3%                | 10,795                  | (1,559)                | (4,178)            |
| Mid-Wilshire                       | 6          | 252,644          | \$3.84                      | 68,490                | 0                       | 68,490               | 27.1%               | 48,518                  | (43,549)               | (40,101)           |
| Miracle Mile                       | 3          | 259,444          | \$3.75                      | 9,957                 | 500                     | 10,457               | 4.0%                | 10,457                  | (2,052)                | (1,336)            |
| Park Mile                          | 1          | 31,787           | \$2.65                      | 1,221                 | 0                       | 1,221                | 3.8%                | 1,221                   | 0                      | (1,221)            |
| <b>HOLLYWOOD/WILSHIRE CORRIDOR</b> | <b>12</b>  | <b>650,052</b>   | <b>\$3.68</b>               | <b>88,478</b>         | <b>500</b>              | <b>88,978</b>        | <b>13.7%</b>        | <b>70,991</b>           | <b>(47,160)</b>        | <b>(46,836)</b>    |
| <b>LOS ANGELES DOWNTOWN</b>        | <b>20</b>  | <b>2,598,837</b> | <b>\$4.04</b>               | <b>115,433</b>        | <b>19,876</b>           | <b>135,309</b>       | <b>5.2%</b>         | <b>109,672</b>          | <b>8,836</b>           | <b>(7,030)</b>     |
| Bellflower                         | 2          | 63,787           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 7,072              |
| Downey                             | 7          | 298,033          | \$2.91                      | 19,126                | 1,337                   | 20,463               | 6.9%                | 26,463                  | (5,824)                | (16,107)           |
| Huntington Park                    | 1          | 25,449           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| La Mirada                          | 1          | 26,503           | \$3.25                      | 1,365                 | 0                       | 1,365                | 5.2%                | 1,365                   | 1,827                  | 462                |
| Lakewood                           | 4          | 167,171          | \$2.08                      | 11,357                | 0                       | 11,357               | 6.8%                | 12,457                  | 0                      | (2,831)            |
| Lynwood                            | 4          | 254,953          | \$2.84                      | 28,408                | 0                       | 28,408               | 11.1%               | 28,408                  | (4,819)                | 17,041             |
| Montebello                         | 2          | 75,791           | N/A                         | 10,010                | 0                       | 10,010               | 13.2%               | 0                       | 0                      | 0                  |
| Pico Rivera                        | 1          | 29,736           | \$2.10                      | 0                     | 0                       | 0                    | 0.0%                | 4,059                   | 0                      | 0                  |
| Santa Fe Springs                   | 2          | 72,040           | \$2.35                      | 14,592                | 0                       | 14,592               | 20.3%               | 14,592                  | (8,176)                | (12,919)           |
| Whittier                           | 5          | 249,337          | \$2.95                      | 14,033                | 0                       | 14,033               | 5.6%                | 14,033                  | (3,624)                | (1,563)            |
| <b>MID-COUNTIES</b>                | <b>29</b>  | <b>1,262,800</b> | <b>\$2.68</b>               | <b>98,891</b>         | <b>1,337</b>            | <b>100,228</b>       | <b>7.9%</b>         | <b>101,377</b>          | <b>(20,616)</b>        | <b>(8,845)</b>     |

Source: CBRE Research, Q4 2023

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Appendix 1

| Submarket - District       | Bldg Count | Bldg NRA         | Avg. Asking Lease Rate (\$) | Direct Vacant Sq. Ft. | Sublease Vacant Sq. Ft. | Total Vacant Sq. Ft. | Overall Vacancy (%) | Total Available Sq. Ft. | Current Net Absorption | YTD Net Absorption |
|----------------------------|------------|------------------|-----------------------------|-----------------------|-------------------------|----------------------|---------------------|-------------------------|------------------------|--------------------|
| Antelope Valley            | 6          | 296,862          | \$2.82                      | 34,741                | 0                       | 34,741               | 11.7%               | 36,306                  | (1,075)                | (22,027)           |
| Canoga Park                | 3          | 118,874          | \$2.88                      | 30,119                | 0                       | 30,119               | 25.3%               | 30,119                  | 10,904                 | 2,879              |
| Encino                     | 12         | 993,725          | \$3.44                      | 110,742               | 22,121                  | 132,863              | 13.4%               | 150,168                 | (6,850)                | (40,909)           |
| Granada Hills              | 3          | 141,776          | \$2.88                      | 19,225                | 0                       | 19,225               | 13.6%               | 27,026                  | 24,174                 | 25,954             |
| Mission Hills              | 4          | 284,357          | \$3.98                      | 15,321                | 0                       | 15,321               | 5.4%                | 25,941                  | (12,175)               | (12,175)           |
| North Hollywood            | 4          | 164,673          | \$3.25                      | 0                     | 0                       | 0                    | 0.0%                | 840                     | 0                      | 2,670              |
| Northridge                 | 7          | 269,295          | \$2.93                      | 27,431                | 0                       | 27,431               | 10.2%               | 25,199                  | 2,129                  | 8,140              |
| Pacoima                    | 1          | 28,745           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| Panorama City              | 3          | 143,314          | \$2.25                      | 616                   | 0                       | 616                  | 0.4%                | 616                     | 0                      | (616)              |
| Reseda                     | 4          | 189,223          | \$2.53                      | 11,359                | 0                       | 11,359               | 6.0%                | 13,206                  | (719)                  | (3,090)            |
| San Fernando               | 1          | 27,329           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| Santa Clarita Valley       | 14         | 544,665          | \$3.41                      | 73,381                | 2,460                   | 75,841               | 13.9%               | 90,493                  | 27,506                 | 29,854             |
| Sherman Oaks               | 7          | 286,749          | \$3.24                      | 39,677                | 9,760                   | 49,437               | 17.2%               | 58,908                  | (13,760)               | (13,294)           |
| Studio City                | 1          | 48,504           | \$4.15                      | 16,127                | 0                       | 16,127               | 33.2%               | 16,127                  | 0                      | (7,027)            |
| Tarzana                    | 9          | 506,073          | \$4.81                      | 46,257                | 0                       | 46,257               | 9.1%                | 49,329                  | 8,746                  | 11,550             |
| Van Nuys                   | 7          | 396,093          | \$3.14                      | 51,077                | 6,826                   | 57,903               | 14.6%               | 58,779                  | 5,825                  | 1,662              |
| West Hills                 | 6          | 324,693          | \$3.28                      | 25,154                | 0                       | 25,154               | 7.7%                | 30,870                  | 3,437                  | (1,702)            |
| <b>SAN FERNANDO VALLEY</b> | <b>92</b>  | <b>4,764,950</b> | <b>\$3.40</b>               | <b>501,227</b>        | <b>41,167</b>           | <b>542,394</b>       | <b>11.4%</b>        | <b>613,927</b>          | <b>48,142</b>          | <b>(18,131)</b>    |

Source: CBRE Research, Q4 2023

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Appendix 1

| Submarket - District      | Bldg Count | Bldg NRA         | Avg. Asking Lease Rate (\$) | Direct Vacant Sq. Ft. | Sublease Vacant Sq. Ft. | Total Vacant Sq. Ft. | Overall Vacancy (%) | Total Available Sq. Ft. | Current Net Absorption | YTD Net Absorption |
|---------------------------|------------|------------------|-----------------------------|-----------------------|-------------------------|----------------------|---------------------|-------------------------|------------------------|--------------------|
| Alhambra                  | 3          | 124,691          | \$4.72                      | 5,752                 | 0                       | 5,752                | 4.6%                | 5,752                   | (5,063)                | (5,752)            |
| Arcadia                   | 5          | 299,406          | \$4.05                      | 8,580                 | 1,044                   | 9,624                | 3.2%                | 15,210                  | 7,897                  | (7,624)            |
| City of Industry          | 3          | 116,569          | \$2.96                      | 34,117                | 0                       | 34,117               | 29.3%               | 34,117                  | 1,092                  | 4,240              |
| Claremont                 | 1          | 50,274           | \$3.75                      | 996                   | 0                       | 996                  | 2.0%                | 996                     | 0                      | (996)              |
| Diamond Bar               | 2          | 61,410           | \$2.05                      | 9,112                 | 0                       | 9,112                | 14.8%               | 9,112                   | 0                      | (2,262)            |
| Glendora                  | 2          | 94,474           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| Monterey Park             | 5          | 170,512          | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 1,538                  | 0                  |
| Pomona                    | 3          | 97,765           | \$3.66                      | 27,316                | 0                       | 27,316               | 27.9%               | 27,316                  | 0                      | (11,400)           |
| Rowland Heights           | 1          | 26,919           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| San Gabriel               | 3          | 122,265          | \$4.37                      | 14,885                | 0                       | 14,885               | 12.2%               | 14,885                  | 1,191                  | (2,772)            |
| West Covina               | 3          | 148,614          | \$2.70                      | 3,953                 | 0                       | 3,953                | 2.7%                | 3,953                   | 0                      | 1,050              |
| <b>SAN GABRIEL VALLEY</b> | <b>31</b>  | <b>1,312,899</b> | <b>\$3.49</b>               | <b>104,711</b>        | <b>1,044</b>            | <b>105,755</b>       | <b>8.1%</b>         | <b>111,341</b>          | <b>6,655</b>           | <b>(42,826)</b>    |
| Beach Cities              | 10         | 477,039          | \$3.21                      | 31,282                | 0                       | 31,282               | 6.6%                | 31,744                  | 2,447                  | 3,049              |
| Downtown Long Beach       | 4          | 266,364          | \$3.13                      | 74,218                | 0                       | 74,218               | 27.9%               | 74,218                  | 157                    | (2,216)            |
| El Segundo                | 1          | 72,066           | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| Hawthorne/Gardena         | 7          | 361,352          | \$2.08                      | 53,267                | 0                       | 53,267               | 14.7%               | 39,267                  | 78,685                 | 34,031             |
| Suburban Long Beach       | 17         | 773,981          | \$3.24                      | 17,400                | 0                       | 17,400               | 2.2%                | 34,111                  | 0                      | 14,663             |
| Torrance                  | 21         | 1,015,139        | \$4.31                      | 94,346                | 7,419                   | 101,765              | 10.0%               | 115,371                 | 3,488                  | 4,330              |
| <b>SOUTH BAY</b>          | <b>60</b>  | <b>2,965,941</b> | <b>\$3.47</b>               | <b>270,513</b>        | <b>7,419</b>            | <b>277,932</b>       | <b>9.4%</b>         | <b>294,711</b>          | <b>84,777</b>          | <b>53,857</b>      |
| Burbank                   | 9          | 460,992          | \$4.13                      | 27,138                | 0                       | 27,138               | 5.9%                | 33,814                  | 1,249                  | 2,604              |
| Glendale                  | 19         | 960,624          | \$3.37                      | 125,451               | 0                       | 125,451              | 13.1%               | 115,673                 | 6,776                  | (1,347)            |
| Pasadena                  | 13         | 772,676          | \$3.92                      | 69,462                | 5,300                   | 74,762               | 9.7%                | 79,383                  | (1,953)                | (18,920)           |
| <b>TRI-CITIES</b>         | <b>41</b>  | <b>2,194,292</b> | <b>\$3.67</b>               | <b>222,051</b>        | <b>5,300</b>            | <b>227,351</b>       | <b>10.4%</b>        | <b>228,870</b>          | <b>6,072</b>           | <b>(17,663)</b>    |

Source: CBRE Research, Q4 2023

Property Market Overview – CBRE Greater Los Angeles Medical Office Q4 2023 (continued)

FIGURES | GREATER LOS ANGELES MEDICAL OFFICE | Q4 2023

Appendix 1

| Submarket - District              | Bldg Count | Bldg NRA          | Avg. Asking Lease Rate (\$) | Direct Vacant Sq. Ft. | Sublease Vacant Sq. Ft. | Total Vacant Sq. Ft. | Overall Vacancy (%) | Total Available Sq. Ft. | Current Net Absorption | YTD Net Absorption |
|-----------------------------------|------------|-------------------|-----------------------------|-----------------------|-------------------------|----------------------|---------------------|-------------------------|------------------------|--------------------|
| Camarillo                         | 2          | 84,021            | \$2.61                      | 21,617                | 0                       | 21,617               | 25.7%               | 23,907                  | (1,000)                | (1,000)            |
| Moorpark/Simi Valley              | 5          | 159,896           | \$2.54                      | 18,225                | 0                       | 18,225               | 11.4%               | 20,652                  | 0                      | (2,423)            |
| Oxnard                            | 4          | 185,824           | \$2.68                      | 10,961                | 0                       | 10,961               | 5.9%                | 10,961                  | 0                      | (3,155)            |
| Ventura                           | 2          | 75,500            | N/A                         | 0                     | 0                       | 0                    | 0.0%                | 0                       | 0                      | 0                  |
| <b>WEST VENTURA COUNTY</b>        | <b>13</b>  | <b>505,241</b>    | <b>\$2.60</b>               | <b>50,803</b>         | <b>0</b>                | <b>50,803</b>        | <b>10.1%</b>        | <b>55,520</b>           | <b>(1,000)</b>         | <b>(6,578)</b>     |
| Beverly Hills                     | 31         | 2,154,640         | \$5.46                      | 220,066               | 9,230                   | 229,296              | 10.6%               | 263,398                 | 1,284                  | (1,482)            |
| Brentwood                         | 5          | 379,090           | \$5.14                      | 49,444                | 5,508                   | 54,952               | 14.5%               | 72,544                  | 2,266                  | (8,700)            |
| Culver City                       | 2          | 105,092           | \$4.83                      | 3,187                 | 12                      | 3,199                | 3.0%                | 7,840                   | (875)                  | 2,488              |
| Inglewood                         | 7          | 454,512           | \$3.09                      | 109,773               | 0                       | 109,773              | 24.2%               | 135,521                 | (28,203)               | (48,979)           |
| Marina Del Rey                    | 4          | 302,093           | \$4.11                      | 13,278                | 0                       | 13,278               | 4.4%                | 13,278                  | 0                      | (5,944)            |
| Santa Monica                      | 16         | 1,037,548         | \$5.58                      | 116,389               | 4,602                   | 120,991              | 11.7%               | 107,867                 | (1,121)                | (24,076)           |
| WeHo West                         | 3          | 360,892           | \$6.44                      | 34,134                | 0                       | 34,134               | 9.5%                | 36,307                  | (7,780)                | (24,974)           |
| West Hollywood                    | 2          | 206,720           | \$6.06                      | 8,858                 | 0                       | 8,858                | 4.3%                | 40,170                  | 0                      | 1,288              |
| Westwood                          | 3          | 234,229           | \$6.12                      | 99,312                | 0                       | 99,312               | 42.4%               | 102,618                 | 0                      | (13,246)           |
| <b>WEST LOS ANGELES</b>           | <b>73</b>  | <b>5,234,816</b>  | <b>\$5.17</b>               | <b>654,441</b>        | <b>19,352</b>           | <b>673,793</b>       | <b>12.9%</b>        | <b>779,543</b>          | <b>(34,429)</b>        | <b>(123,625)</b>   |
| <b>GREATER LOS ANGELES TOTALS</b> | <b>392</b> | <b>22,433,512</b> | <b>\$3.98</b>               | <b>2,302,691</b>      | <b>100,599</b>          | <b>2,403,290</b>     | <b>10.7%</b>        | <b>2,571,207</b>        | <b>61,906</b>          | <b>(197,917)</b>   |

Source: CBRE Research, Q4 2023

**Market Vacancy**

CBRE Greater Los Angeles Medical Office Market Report states that the vacancy rate in the Mid-County Submarket in 4<sup>th</sup> Quarter of 2023 is 7.9%. Also noted, nearest the subject neighborhood, is the City of Lynwood with a vacancy rate of 11.1%.

## SITE DESCRIPTION

|                                 |   |
|---------------------------------|---|
| Address                         | 710 E 111th Place, Los Angeles, CA 90059  |
| Assessor Parcel No.             | 6071-022-902  |
| Legal Description               | TRACT NO 6478 LOT (EX OF ST) COM S 68¢ 38' W 1418.81 FT FROM NE COR OF LOT B TH S 21¢22'23" E TO SE LINE OF SD LOT TH SW THEREON TO E LINE OF LAND DESC IN DOC NO 3466, 7-25-58 TO L A CO SAN DIST NO 1 TH N 0¢16'46" E TO NW LINE OF SD LOT TH NE THEREON TO BEG PART OF LOT B.  |
| Site Area                       | 149,408 square feet or 3.43 acres   |
| Site Shape                      | Irregular   |
| Topography                      | Level   |
| Improvements                    | Single-Tenant Medical Office Building   |
| Vehicular and Pedestrian Access | Vehicular and pedestrian access to the subject site is provided via E 111 <sup>th</sup> Place.<br><br>E 11th Place is an east-west traffic street, with two-way, one lane in each direction, located on the north side of the property.   |
| Regional Access                 | The Glenn Anderson Freeway (Interstate 105) and Harbor Freeway (Interstate 110) provide regional ingress and egress; located north and west of the subject property.  |
| Site Coverage                   | 28.20% (42,140 Ground Floor / 149,408 Site Area)  |
| Traffic Count                   | Avalon Boulevard proximate to the subject and directly connected to 111 <sup>th</sup> place has an average traffic volume of 20, 148 vehicles per day according to Esri. There is no reported traffic count along 111 <sup>th</sup> Place.  |
| Zoning                          | Limited Industrial Zone (M-1)<br><br>Permitted uses include MR1 Uses (CM Uses, Limited Commercial and Manufacturing, Clinics, Media Products, Limited Machine Shops, Animal Hospitals and Kennels), and Limited Industrial and Manufacturing Uses. No Residential Uses, no Hospitals, Schools, Churches, any Enclosed C2 Use, Wireless Telecommunications, Household Storage. |

Development Standards

| Development Standards - Industrial/Commercial Use |       |
|---|-------|
| Minimum Lot Area                                  | None  |
| Minimum Lot Width                                 | None  |
| Front Setback Minimum                             | None  |
| Side Setback Minimum                              | None  |
| Rear Setback Minimum                              | None  |
| Maximum Height                                    | None  |
| FAR   | 1.5:1 |

**Parking Standards** For Commercial and Industrial Buildings. There shall be at least one automobile parking space for each 500 square feet of combined floor area contained within all the office, business, commercial, research and development buildings, and manufacturing or industrial buildings on any lot. For office/medical use there shall be one parking space for each 250 square feet of net rentable area.

**Zoning Compliance** Legal Non-Conforming.

**Utilities** All necessary utilities are available and connected to the site including water, natural gas, electricity, sewer and telephone.

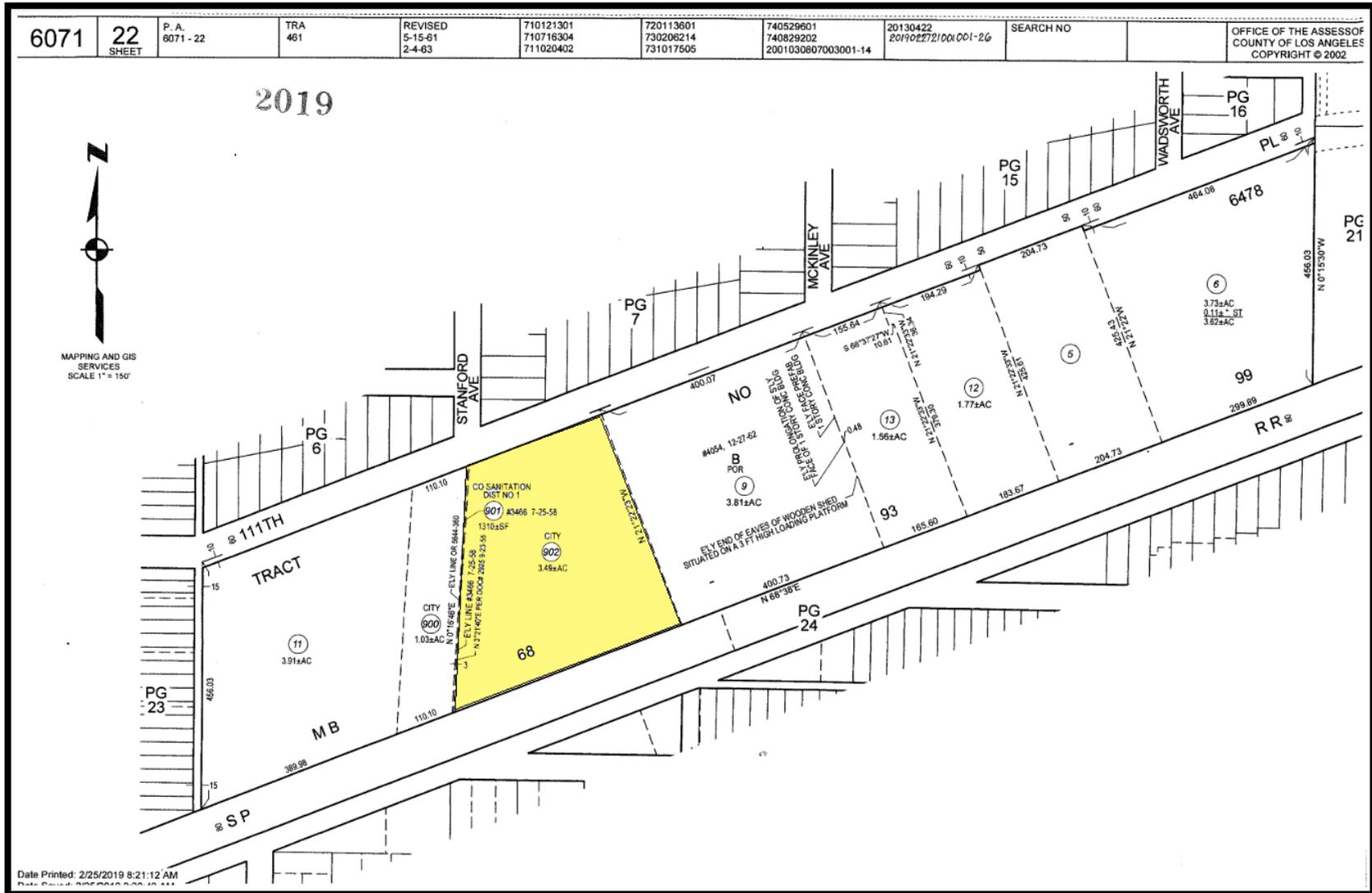
**Flood Zone** Zone: X, Out of Flood Zone.  
  
Panel Number: 06037C1795F, dated September 26, 2008.

**Earthquake Zone** Properties in California are subject to earthquake risk. The subject is not known to be in a Special Study Zone for seismic activity. The State of California Conservation Map shows the subject property **NOT within an Earthquake Fault Zone or Landslide Zone. All or a portion of this parcel LIES WITHIN a Liquefaction Zone. We are not seismic engineers, and we are not qualified to determine earthquake hazards. Our appraisal assumes that the subject is not adversely impacted by atypical earthquake risk. We recommend obtaining a geologic study to determine any potential earthquake hazard that might impact the subject site.**

**Soil Conditions** No soil report has been provided to us. Our on-site inspection of the subject property revealed no obvious evidence of adverse geologic or soil conditions on the subject site. **We are not geologists or soil engineers and we are not qualified to detect geologic or soil related problems. Our appraisal assumes that no detrimental geologic or soil-related conditions impact the subject property. We recommend consulting with a qualified geologist or soil engineer to determine whether detrimental geologic or soil conditions exist on the subject site.**

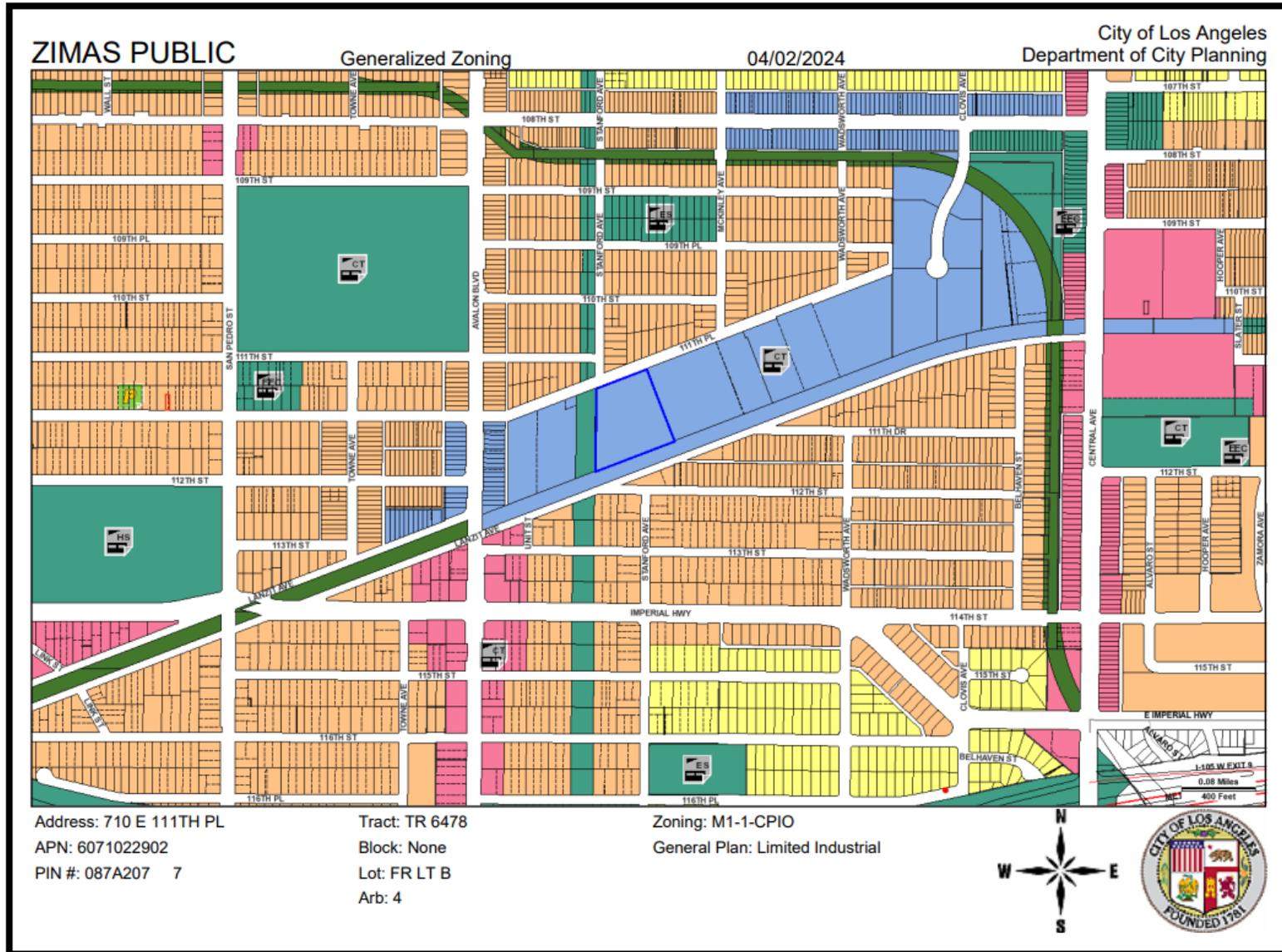
|                            |  |
|----------------------------|--|
| Environmental Conditions   | No environmental report has been provided to us. Our on-site inspection of the subject property revealed no obvious or apparent evidence of soil contamination or the presence of toxic or hazardous substances. <b>We are not environmental engineers and we are not qualified to detect environmental contamination. Our appraisal assumes the subject site is clean with no contamination. We recommend consulting with a qualified environmental engineer to determine whether environmental contamination exists on the subject site.</b>   |
| Easements and Encumbrances | We were not provided with a Preliminary Report. However, we were provided with a copy of a 50-year ground lease with a commencement date of August 12, 1986 and expires October 9, 2027, encumbering the subject site. We are not aware of any other easements or encumbrances impacting the subject. Other easements may be those imposed by local government and quasi-government agencies for common utilities, public rights-of-way, etc. <b><i>Our appraisal assumes the subject to be free and clear of any negative easements, and restrictions impacting the subject site.</i></b> |

Plat Map





Zoning Map



Zoning Legend

## LEGEND

### GENERALIZED ZONING

- OS, GW
- A, RA
- RE, RS, R1, RU, RZ, RW1
- R2, RD, RMP, RW2, R3, RAS, R4, R5, PVSP
- CR, C1, C1.5, C2, C4, C5, CW, WC, ADP, LASED, CEC, USC, PPSP, MU, NMU
- CM, MR, CCS, UV, UI, UC, M1, M2, LAX, M3, SL, HJ, HR, NI
- P, PB
- PF

### GENERAL PLAN LAND USE

#### LAND USE

#### RESIDENTIAL

- Minimum Residential
- Very Low / Very Low I Residential
- Very Low II Residential
- Low / Low I Residential
- Low II Residential
- Low Medium / Low Medium I Residential
- Low Medium II Residential
- Medium Residential
- High Medium Residential
- High Density Residential
- Very High Medium Residential

#### COMMERCIAL

- Limited Commercial
- Limited Commercial - Mixed Medium Residential
- Highway Oriented Commercial
- Highway Oriented and Limited Commercial
- Highway Oriented Commercial - Mixed Medium Residential
- Neighborhood Office Commercial
- Community Commercial
- Community Commercial - Mixed High Residential
- Regional Center Commercial

#### FRAMEWORK

##### COMMERCIAL

- Neighborhood Commercial
- General Commercial
- Community Commercial
- Regional Mixed Commercial

#### INDUSTRIAL

- Commercial Manufacturing
- Limited Manufacturing
- Light Manufacturing
- Heavy Manufacturing
- Hybrid Industrial

#### PARKING

- Parking Buffer

#### PORT OF LOS ANGELES

- General / Bulk Cargo - Non Hazardous (Industrial / Commercial)
- General / Bulk Cargo - Hazard
- Commercial Fishing
- Recreation and Commercial
- Intermodal Container Transfer Facility Site

#### LOS ANGELES INTERNATIONAL AIRPORT

- Airport Landside / Airport Landside Support
- Airport Airside
- LAX Airport Northside

#### OPEN SPACE / PUBLIC FACILITIES

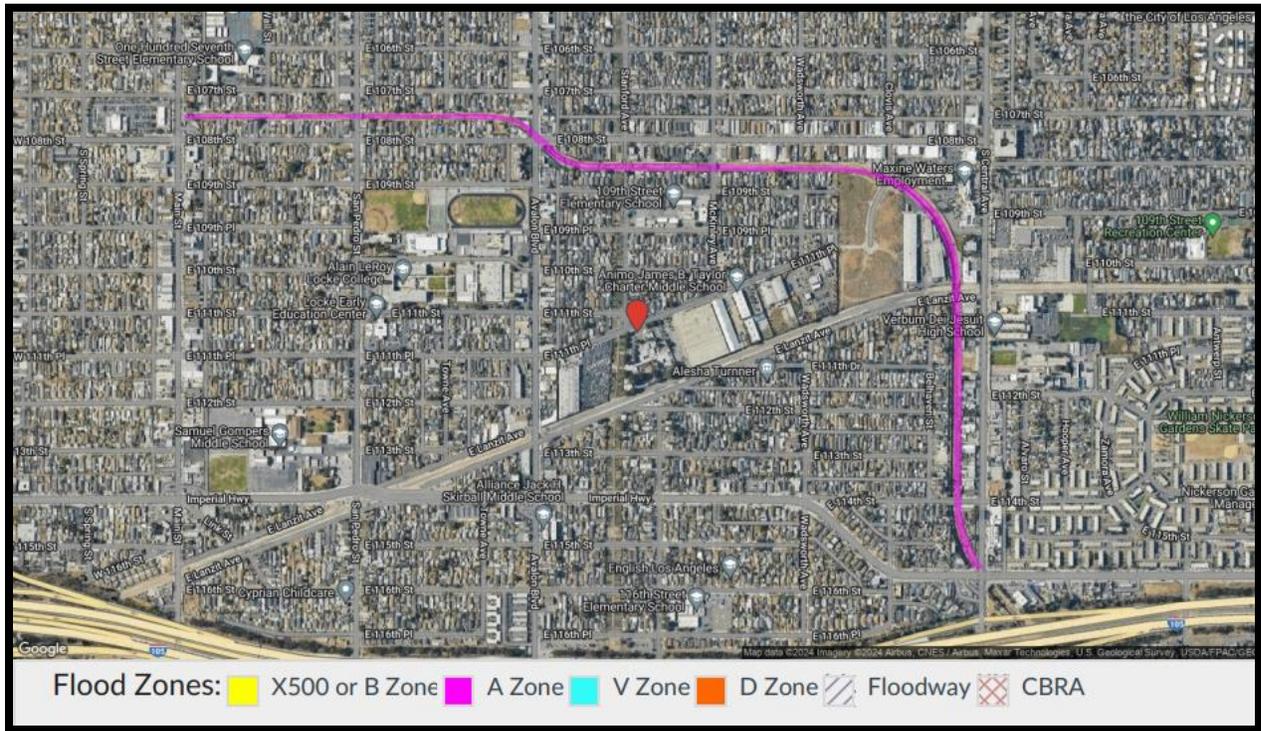
- Open Space
- Public / Open Space
- Public / Quasi-Public Open Space
- Other Public Open Space
- Public Facilities

#### INDUSTRIAL

- Limited Industrial
- Light Industrial



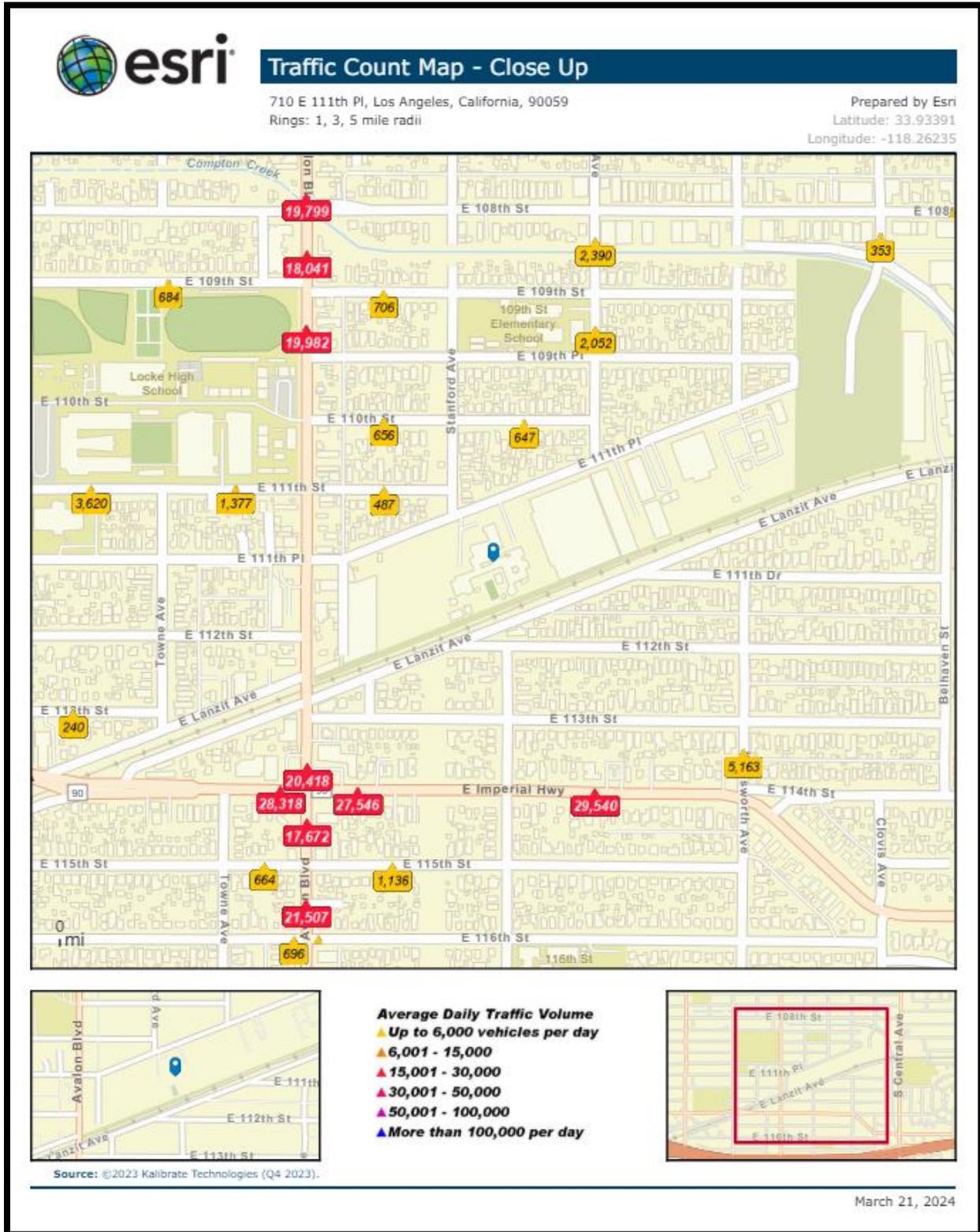
Flood Map



| Flood Zone Determination |  | OUT ^              |
|--------------------------|--|--------------------|
| COMMUNITY                |  | 060137             |
| PANEL                    |  | 1795F              |
| PANEL DATE               |  | September 26, 2008 |
| MAP NUMBER               |  | 06037C1795F        |

Traffic Count Map

W



## IMPROVEMENT DESCRIPTION

### Overview

|   |   |
|---|---|
| Name                                    | Kedren Community Health Center              |
| Type of Use                             | Medical Office Building                     |
| Building Class                          | Class C                                     |
| Year Built                              | 1977  |
| Gross Building Area / Net Rentable Area | 42,140 square feet                          |
| GBA /NRA Source                         | Based on ALTA/NSPS Land Title Survey.       |
| No. of Building                         | One (1)                                     |
| No. of Story                            | One-story                                   |
| Floor Area Ratio (FAR)                  | 0.28 (42,140 SF NRA / 149,408 SF Site Area) |

### Exterior Shell

|                    |                                   |
|--------------------|-----------------------------------|
| Foundation         | Concrete                          |
| Building Structure | Masonry Construction              |
| Exterior Walls     | Concrete                          |
| Windows            | Single pane with aluminum framing |
| Roof               | Flat – Built-up Composition       |

### Interior Finish

|                  |                                   |
|------------------|-----------------------------------|
| Floors           | Mostly ceramic tile               |
| Ceilings         | Suspended Acoustical Ceiling Tile |
| Walls/Partitions | Painted Drywall                   |
| Lighting         | Fluorescent Light fixtures        |

### Systems

|                 |                         |
|-----------------|-------------------------|
| HVAC            | Poor Condition          |
| Plumbing        | Poor Condition          |
| Electrical      | Poor Condition          |
| Fire Protection | Indoor sprinkler system |

### Parking

|                       |  |
|-----------------------|--|
| Type                  | Concrete Paved Open Parking  |
| No. of Parking Spaces | 99 parking spaces including 3 handicapped parking spaces – based on Site Plan. |
| Parking Ratio         | 2.35 spaces per 1,000 square feet of building area                             |

### Site Improvements

The subject site is currently improved with a one-story 42,140 square feet medical office building with 99 parking spaces. The subject site has site lighting, miscellaneous concrete flatworks, and landscaping.

There is a vacant free standing 2,180 square foot modular classroom building on the southwest corner of the site. This modular classroom building is personal property and we have not included it in our valuation of the subject property.

### Appraiser Observations

|                      |  |
|----------------------|--|
| Quality              | Poor   |
| Condition            | Poor   |
| Deferred Maintenance | The entire roof needs replacement; patch and paint all interior drywall ceilings and walls; remove and replace damaged ceramic tiles; remove and replace all wall-to-wall carpeting with ceramic tiles. Remove and replace all damaged plumbing and electrical components. The cost to replace the roof is estimated at \$300,000. The common area facility costs are estimated at \$20.00 per square foot or \$842,800. |
| Functional Utility   | Conforms with typical market standards.  |

**Improvements-Age/Life, Depreciation**

Actual Age 47 years

**Effective Age** 25 years, per our observation and estimate

**Economic Life** 40 years, per Marshall and Swift Valuation Service

Remain. Econ Life 15 years, per our observation and estimate

Depreciation **Effective Age** / **Economic Life** =  
 25 years / 40 years =

| Depreciation % |  |
|----------------|--|
| 62.5%          |  |

**Photographs of the Subject Property**



**Looking west at 111<sup>th</sup> Place.**



**Looking east at 111<sup>th</sup> Place.**



**Looking southeast at subject property.**



**Looking at the rear of the subject building.**



**Looking at free standing classroom building.**



**Looking at outdoor playground.**

Photographs of the Subject Property (continued)



Looking at playground equipment.



Looking at playground equipment.



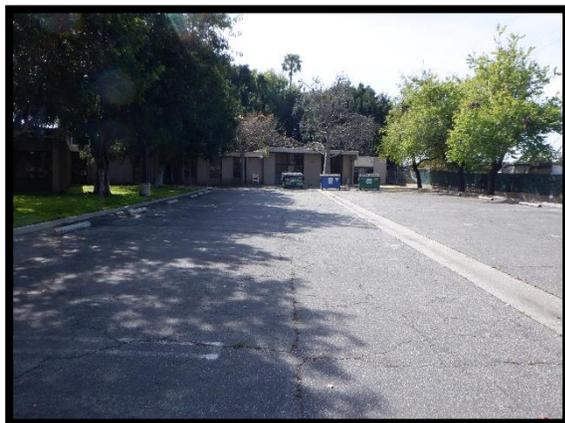
Looking at the basketball court.



Looking at the tennis court.



Looking at damaged tree well.



Looking south at the front parking lot.

Photographs of the Subject Property (continued)



Looking east at the front parking lot.



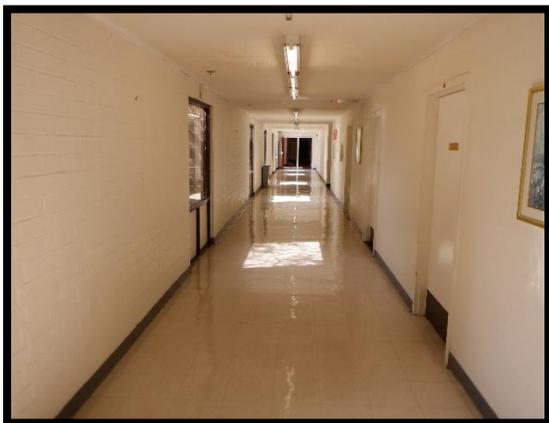
Looking at eastern parking lot.



Looking at the entry way foyer.



Looking at typical office.



Looking at typical corridor.

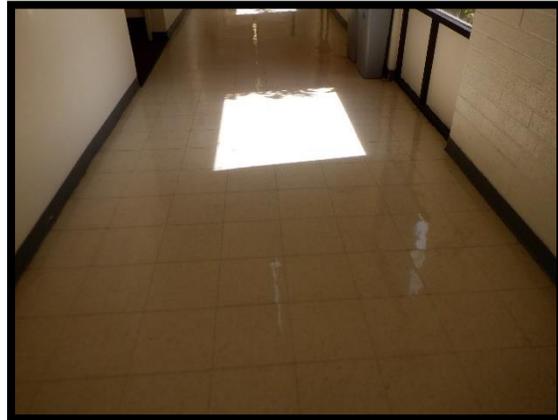


Looking at typical corridor.

Photographs of the Subject Property (continued)



Looking at typical corridor.



Looking at typical corridor.



Looking at conference room.



Looking at lunch room.



Looking at assembly room.



Looking at assembly room flooring.

Photographs of the Subject Property (continued)



Looking at ceiling in assembly room.



Looking at refrigerators in kitchen.



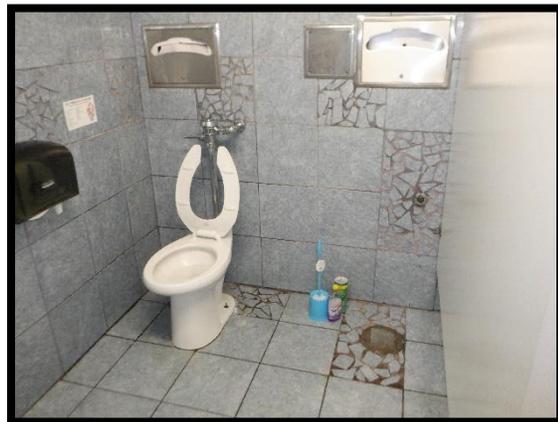
Looking at walk-in cooler box.



Looking at storage room.



Looking at bathroom stall.



Looking at toilet stall.

Photographs of the Subject Property (continued)



Looking at bathroom toilets.



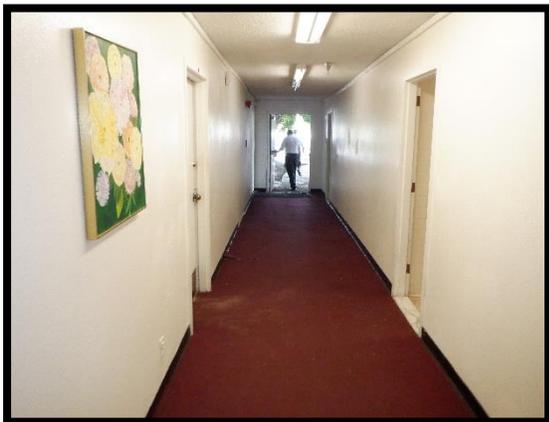
Looking at flooring.



Looking at fluorescent light fixture.



Looking at suspended ceiling.



Looking at the rear exit door.



Looking at damage wall in kitchen.

Photographs of the Subject Property (continued)



Looking at damage wall in kitchen.



Looking at damage wall in kitchen.



Looking at damage wall.



Looking at flooring damage.



Looking at flooring damage.



Looking at ceiling damage.

**Photographs of the Subject Property (continued)**



Looking at ceiling damage.



Looking at ceiling damage.

## Real Estate Taxes

Current property tax information is shown below.

| APN          | Assessed Value |              |       | Property Taxes |             |             |
|--------------|----------------|--------------|-------|----------------|-------------|-------------|
|              | Land           | Improvements | Total | Base Tax       | Assessments | Total Taxes |
| 6071-022-902 | \$0            | \$0          | \$0   | \$0.00         | \$0.00      | \$0.00      |

|                 |                 |
|-----------------|-----------------|
| <b>Tax Year</b> | <b>2022</b>     |
| <b>Tax Area</b> | <b>00461</b>    |
| <b>Tax Rate</b> | <b>1.19940%</b> |

The subject property is owned by the City of Los Angeles and is exempt from real property taxes.

According to California Proposition 13, real estate taxes in California are limited to 1.00% of assessed value plus limited amounts for bonded indebtedness. Properties are reassessed upon sale or transfer of over 50% of the ownership interest, and when significant remodeling or new construction is completed. The new assessed value would be based on the current market value of the property on the date of sale, which typically corresponds with the purchase price paid for the property, or on the date of reassessment.

Since the definition of value for this assignment assumes a sale of the property, our valuation analysis uses a property tax liability based on our appraised value estimate for the subject property as though a sale had occurred.

Our inquiry with the County Tax Assessor's Office did not reveal any past-due taxes currently impacting the subject property.

Our appraised value estimate of the subject is higher than the current assessed value due to improved market conditions since the date of acquisition.

## Ownership History

The following table presents the current ownership and recent ownership history of the subject property.

| Ownership History |          |                     |            |            |
|-------------------|----------|---------------------|------------|------------|
| Transaction       | Doc. No. | Owner               | Sale Date  | Sale Price |
| Deed              | N/A      | City of Los Angeles | 09/28/1973 | N/A        |

The subject site is owned by the city of Los Angeles. The site is currently leased to Kedren Health Community Center which will expire on October 9, 2027. All improvements on the property are owned by the tenant. Ownership of all improvements will revert to the city of Los Angeles upon expiration of the ground lease.

We are not aware of any other sales, listings, escrows, or pending sales of the subject property during the past three years. We have researched Fidelity National Title for the subject's sale history.

## HIGHEST AND BEST USE

**Highest and Best Use** is defined as follows:

*“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”*

An analysis of **Highest and Best Use** must consider a property **As If Vacant** and **As Currently Improved**.

### Analysis of Land, As If Vacant

*Physically Possible:* The physically possible test determines the use or uses which can physically be developed onto the subject site. The traits considered include the site’s size, shape, topography, access, frontage, the availability of utilities and environmental constraints.

The subject site has all available utilities and can support any contemplated uses. No physical impediments were observed that would prevent the subject site from being developed to its Highest and Best Use.

*Legally Permissible:* The legally permissible test determines the use or uses which are allowed to be developed on the subject site, including such factors as zoning, private restrictions, and environmental regulations.

The zoning of the subject site is zoned Limited Industrial Zone (M-1). Permitted uses include MR1 Uses (CM Uses, Limited Commercial and Manufacturing, Clinics, Media Products, Limited Machine Shops, Animal Hospitals and Kennels), and Limited Industrial and Manufacturing Uses. No Residential Uses, no Hospitals, Schools, Churches, any Enclosed C2 Use, Wireless Telecommunications, Household Storage. Based on the zoning of the subject site, legally permissible uses of the site include medical office development or industrial development.

*Financially Feasible:* The Financially Feasible Test determines the use or uses which are likely to generate a positive return to a property owner or investor. The subject’s immediate neighborhood consists of industrial, commercial, and residential uses. The general composition of uses in the subject area is generally consistent with the legally permissible uses as prescribed by local zoning standards. It is our opinion that the most financially feasible alternative would appear to be represented by medical office clinic development or industrial development.

*Maximally Productive:* The maximally productive use is that use which provides the greatest return and the most profitable alternative. Physically the subject site does not specifically preclude any type of development. Legally, zoning allows for office and limited manufacturing uses as discussed above. From the legally permissible uses, it is our opinion that financially feasible uses would include office and industrial uses. Our analysis indicates that of the financially feasible uses, the maximally productive use of the subject site would be future medical office clinic development or industrial development.

Therefore, it is our opinion that the **Highest and Best Use, As If Vacant** of the subject site is future medical office clinic development or industrial development.

**Analysis of the Property, As Improved**

The analysis of the subject property, As Improved, relies on the same basic criteria outlined in the discussion of Highest and Best Use of the subject site assumed vacant. However, the current discussion focuses on whether the existing improvement program offers any contributory value.

The subject is in poor condition as a medical office clinic building totaling 42,140 sf of gross building area and net rentable area. Land valuation indicates that the existing improvements offer no contributory value above the underlying land value.

Therefore, it is our opinion that the **Highest and Best Use, As Currently Improved**, is to **demolish the existing improvements which have no contributory value above the underlying land value. However, the most likely buyer is an investor/developer who can redevelop the site for Medical Office Clinic or Industrial entitlements.**

## VALUATION TECHNIQUES AND METHODOLOGY

### Valuation Techniques

Three approaches to value form the foundation for current appraisal theory. These approaches are Cost Approach, Sales Comparison Approach, and Income Capitalization Approach.

#### Cost Approach

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility. It is particularly applicable when the subject property involves relatively new improvements that represent the Highest and Best Use of the land, or when relatively unique or specialized improvements are located on the site for which there exist no comparable properties in the market.

#### Sales Comparison Approach

This is an appraisal procedure in which the market value estimate is predicated upon prices paid in actual market transactions and current listings. The former fixes the lower limit of value in a static or advancing market (price-wise) and fixes the higher limit of value in a declining market. The latter fixes the high limit in any market. It is a process of analyzing sales of similar, recently sold properties in order to derive an indication of the most probable sales price of the property being appraised.

The reliability of this technique is dependent upon:

1. Availability of comparable sales data
2. Verification of the sales data, and
3. The degree of comparability or extent of adjustment necessary

#### Income Capitalization Approach

This approach is widely applied in appraising income-producing properties. Anticipated present and future income, as well as any future reversions, is discounted to the present value through capitalization. This approach relies upon market data to establish current economic rents and expense levels to arrive at an expected net income.

### Valuation Methodology Used in This Assignment

Our valuation of the subject property includes the following analyses:

- Land Valuation (underlying land)
- Land value Less demolition costs to arrive at the market value of fee simple interest.
- Discounted Cash Flow less demolition costs to arrive at the present value of the leased fee interest.

## COST APPROACH

The **Cost Approach** is based on the economic principle of substitution. A cornerstone of this valuation approach is the premise that an informed buyer would not pay more for a property than the cost of acquiring a comparable vacant site and constructing an improvement program of similar utility.

The fundamental steps of the Cost Approach are outlined below:

1. Estimate the value of the site assumed vacant and available for development to its Highest and Best use.
2. Estimate the total reproduction or replacement costs associated with the improvement program. These costs include direct or hard costs such as building materials and labor, as well as indirect or soft costs such as financing charges, real estate taxes during construction, professional fees, carrying charges, etc. Reproduction costs are used when it is necessary to estimate the costs to exactly replicate a building in every detail. Typically, a replacement cost estimate is more appropriate and useful. The replacement cost estimate is based on the expense associated with developing a similar building of equal utility and function.
3. Estimate an appropriate level of entrepreneurial profit. This cost reflects the required return to the developer for assuming the time, coordination, and risk associated with project development. This cost is distinct from contractor's profit and overhead which is incorporated as a direct cost.
4. Add together the total construction costs (i.e.-direct costs, indirect costs, and entrepreneurial profit) associated with development.
5. Subtract any observed levels of depreciation impacting the subject property. Depreciation may stem from physical deterioration, functional obsolescence, or economic obsolescence. The total construction cost adjusted for accrued depreciation yields the Replacement or Reproduction Cost less Depreciation.
6. Add the total depreciated improvement value to the estimated land value to derive the value indicated by the Cost Approach.

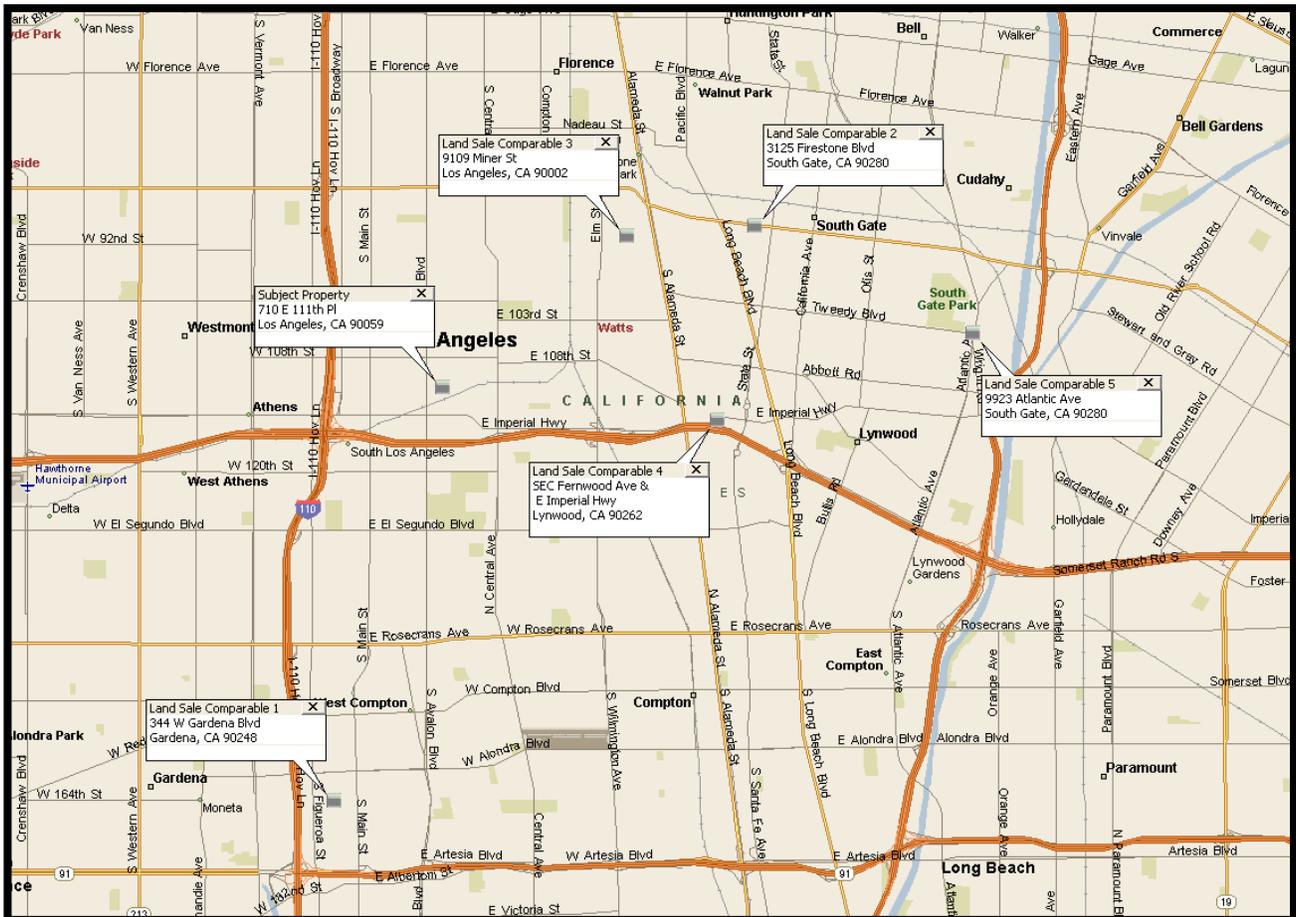
Given the age, condition, and depreciated value of the improvements, the Cost Approach is not applicable.

### Sales Comparison Approach

We surveyed the market in the subject area in order to locate comparable sales of similar properties which would aid in forming an opinion of market value for the subject property. Our search parameters are summarized below.

| Primary Search Parameters for Sales Comparable |   |
|--|---|
| Location                                       | Los Angeles County  |
| Sale Date                                      | 4 <sup>th</sup> Quarter 2022 to Present                                       |
| Property Type                                  | Commercial & Industrial Zoned Land  |
| Method of Analysis                             |   |
| Price Per Square Foot                          | Our research indicated most investors analyze sales comparable on this basis. |

### Map of Comparable Land Sales



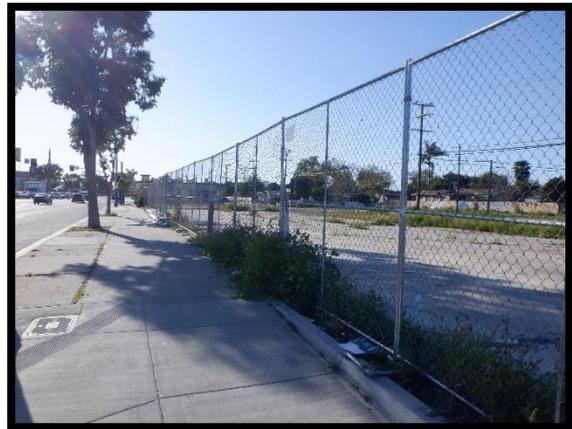
**Table of Comparable Land Sales**

| Summary of Effectively Vacant Land Sales |                                   |                      |                         |                     |
|--|-----------------------------------|----------------------|-------------------------|---------------------|
| Item                                     | Property Name                     | Sale Date            | Land Area (sf)          | Sale Price          |
|  | Street Address                    | Document No(s)       | Land Area (ac)          | Price (\$ psf) Land |
|  | City/State                        | Zoning               |                         | DOM                 |
|  | Assessor's Parcel No(s)           | Buyer                | Seller                  |                     |
| 1  | N/A                               | December 19, 2023    | 59,677                  | \$8,625,000         |
|  | 344 W. Gardena Blvd.              | 889040               | 1.37                    | \$144.53            |
|  | Gardena, CA 90248                 | ML-D                 |                         | N/A                 |
|  | 6126-001-018                      | Smartech             | George A. Clark Jr.     |                     |
|  |                                   | Communications       | Trust                   |                     |
| 2  | N/A                               | July 21, 2023        | 57,599                  | \$6,100,000         |
|  | 3125 Firestone Blvd.              | 482180               | 1.32                    | \$105.90            |
|  | South Gate, CA 90280              | CM-R3                |                         | N/A                 |
|  | 6204-006-054, 055, 058, 059       | William Martinez     | J & Y 26 Firestone      |                     |
|  |                                   | Irlanda Mendez       | LLC                     |                     |
| 3  | N/A                               | February 1, 2023     | 59,046                  | \$3,000,000         |
|  | 9109 Miner St.                    | 65618                | 1.36                    | \$50.81             |
|  | Los Angeles, CA 90002             | M1                   |                         | 75                  |
|  | 6045-015-022, 023, 024, 025       | 88th Street 2022 LLC | Robert L. Ratliff Trust |                     |
|  |                                   |                      |                         |                     |
| 4  | N/A                               | December 29, 2022    | 73,895                  | \$5,300,000         |
|  | SEC Fernwood Ave. & Imperial Hwy. | 1205733              | 1.70                    | \$71.72             |
|  | Lynwood, CA 90262                 | LYNO                 |                         | N/A                 |
|  | 6169-002-009, 011, 012            | B&R Lynwood LLC      | Sticks Lynwood LLC      |                     |
|  |                                   |                      |                         |                     |
| 5  | N/A                               | Under Contract       | 167,270                 | \$14,000,000        |
|  | 9923 Atlantic Ave.                | N/A                  | 3.84                    | \$83.70             |
|  | South Gate, CA 90280              | SP                   |                         | 762                 |
|  | 6221-001-007, 6221-002-025        | N/A                  | South Gate Tweedy       |                     |
|  | 6221-002-026, 027 & 028           |                      | LLC                     |                     |

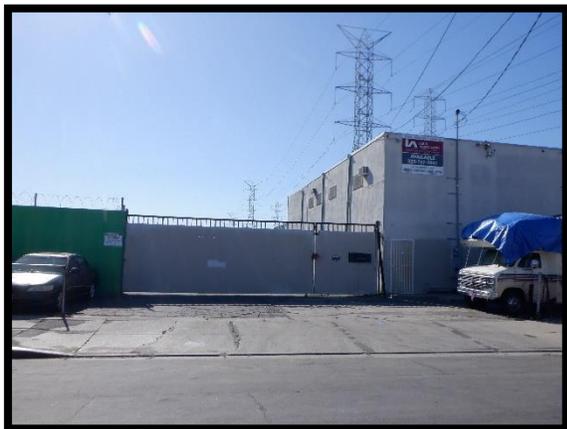
Photographs of Comparable Land Sales



Sale Number One



Sale Number Two



Sale Number Three



Sale Number Four



Sale Number Five

**Aerial Maps of Comparable Land Sales**



**Sale Number One**



**Sale Number Two**



**Sale Number Three**

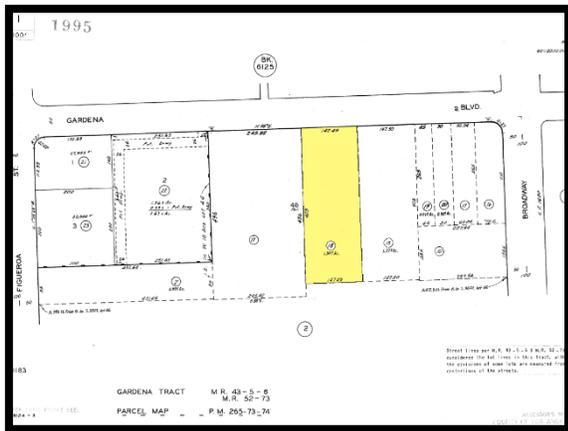


**Sale Number Four**

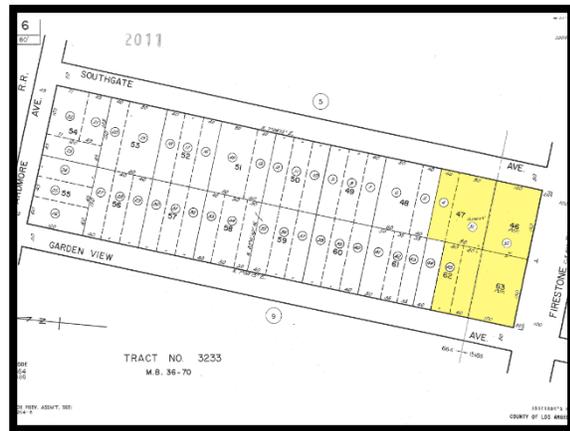


**Sale Number Five**

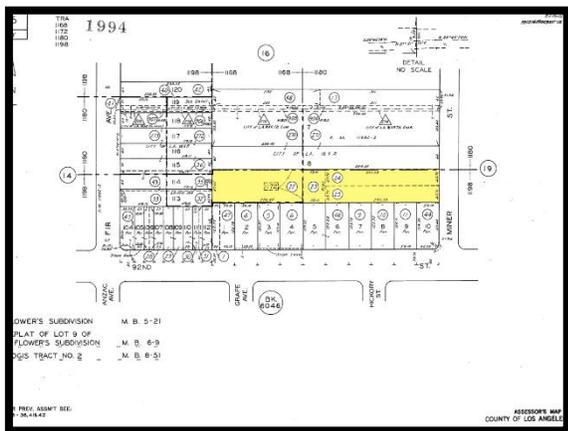
Plat Maps of Comparable Land Sales



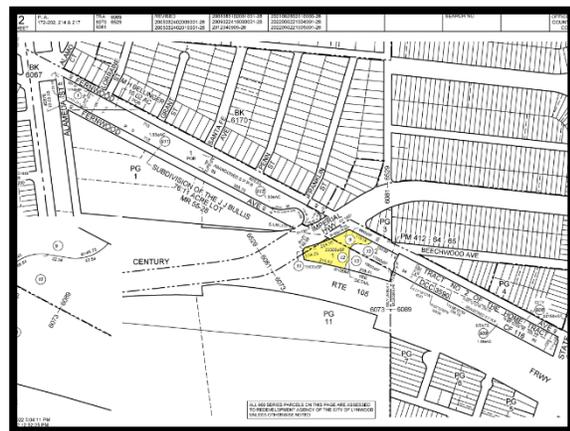
Sale Number One



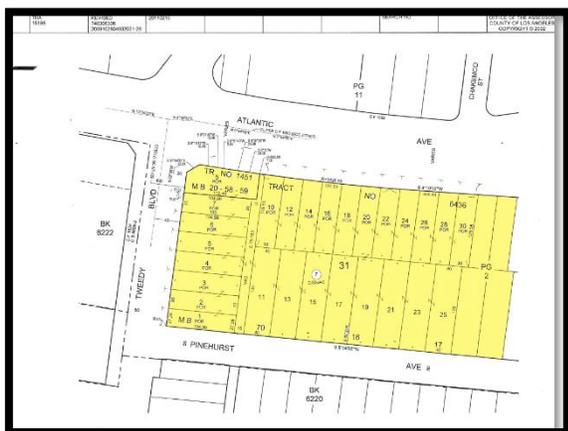
Sale Number Two



Sale Number Three



Sale Number Four



Sale Number Five



Sale Number Five (continued)

**Sale Adjustment Grid**

| ADJUSTMENT OF COMPARABLE LAND DATA |                              |             |             |             |             |              |
|------------------------------------|------------------------------|-------------|-------------|-------------|-------------|--------------|
|                                    | SUBJECT                      | 1           | 2           | 3           | 4           | 5            |
| Sale Price                         | N/A                          | \$8,625,000 | \$5,000,000 | \$6,100,000 | \$5,300,000 | \$14,000,000 |
| Site Area (sf)                     | 149,408                      | 59,677      | 57,599      | 59,046      | 73,895      | 167,270      |
| \$ per SF                          | N/A                          | \$144.53    | \$86.81     | \$103.31    | \$71.72     | \$83.70      |
| Rights Conveyed                    | Leased Fee Estate            |             |             |             |             |              |
| Adjusted \$ per SF                 | N/A                          | \$144.53    | \$86.81     | \$103.31    | \$71.72     | \$83.70      |
| Financing Terms                    | Conventional                 |             |             |             |             |              |
| Condition of Sale                  | Conventional                 |             |             |             |             |              |
| Listing Adjustment                 | N/A                          |             |             |             |             | -5%          |
| Adjusted \$ per SF                 | N/A                          | \$144.53    | \$86.81     | \$103.31    | \$71.72     | \$79.51      |
| Date                               | March-24                     |             | 1.97%       | 3.38%       | 3.67%       |              |
| Adjusted \$ per SF                 | N/A                          | \$144.53    | \$88.52     | \$106.80    | \$74.36     | \$79.51      |
| General Location                   | South Los Angeles            | -10%        | -10%        |             |             | -10%         |
| Specific Location                  | 111th Place                  | -5%         | -5%         | -5%         | -5%         | -5%          |
| Site Area (sf)                     | 149,408                      | -5%         | -5%         | -5%         | -2%         |              |
| Site Configuration                 | Interior                     |             | -5%         |             | -5%         | -5%          |
| Site Shape                         | Irregular                    | -2%         | -2%         | -2%         |             | -2%          |
| Topography                         | Level                        |             |             |             |             |              |
| Utility Status                     | All Available                |             |             |             |             |              |
| Entitlements                       | None - As If Vacant          |             |             |             |             |              |
| Zoning                             | M1 - Limited Industrial Zone |             |             |             |             |              |
| Street Frontage                    | 270-feet                     | 2%          |             | 2%          |             | -2%          |
| Subtotal of Adjustments            | N/A                          | -20%        | -27%        | -10%        | -12%        | -24%         |
| Adjusted \$ per SF                 | N/A                          | \$115.62    | \$64.62     | \$96.12     | \$65.43     | \$60.43      |
| Total % Adjustment                 | N/A                          | -20%        | -26%        | -7%         | -9%         | -28%         |

**Discussion of Sale Comparables**

This analysis identifies the similarities and differences between subject and comparable properties. The primary elements of comparison include property rights, financing terms, conditions of sale (motivation), market conditions (sale date), and physical characteristics (e.g., zoning, utilities, site improvements, location, access, etc.).

The common quantitative adjustment process involves paired sales analysis that compares two or more market sales to derive an indication of the adjustment for a single characteristic and applies it to the applicable data. Recognizing the weaknesses inherent in a quantitative analysis, a qualitative technique can be used. The adjustments applied are not necessarily representative of paired-data analysis and are not intended to be viewed in a precise or absolute context. Rather, they are intended to offer general insight

with regard to the order of magnitude afforded each of the adjustment categories, as determined by the appraiser by virtue of our investigations into the subject market place.

***Market Conditions (Time)***

CoStar market trends for land sales from year-end 2021 to year-end 2022 did suggest that land values have increased approximately 4.6% per year. Land sales data from year-end 2022 to year-end 2023 was not available. However, the Consumer Price Index (CPI) for all items did indicate a 3.4% increase in inflation from December 2022 to December 2023. As of March 2024, the CPI is at 3.5%. We tempered the rate of increase to 3% per year. Therefore, a time adjustment is required for the comparable sales occurring over 6 months ago from the effective date of value.

**Expenditures after Sale:**

An adjustment to a sale property is required when a buyer anticipates a particular expenditure that he/she will have to expend shortly after purchasing a property; the price paid by a knowledgeable buyer considers any required expenditures. Such expenditures may include (1) the cost to demolish an existing structure when an improved site is purchased for redevelopment, (2) the cost to remediate known environmental contamination, (3) the cost to cure deferred maintenance at a building, or (4) similar costs that a buyer anticipates making upon purchase of a property. Sale 3 has an existing 9,570 square foot wood frame warehouse building. The buyer does not intend to demolish the building and will lease it.

On the following page is a matrix that displays each of the adjustments deemed necessary to reach an opinion of value for the subject property.

The adjustments applied are not necessarily representative of paired-data analysis and are not intended to be viewed in a precise or *absolute* context. Rather, they are intended to offer general insight with regard to the order of magnitude afforded each of the adjustment categories, as determined by the appraisers by virtue of our investigations into the subject marketplace.

## Discussion of Data Items

**Comparable 1:** The general and specific locations are superior to the subject. The smaller site area is superior to the subject. The interior site configuration is similar to the subject. The rectangular shape/utility is superior to the subject. The level topography is similar. The access to utilities is similar to the subject. The site has no approved entitlements and deemed similar to the subject. The ML-D (Light Industrial) zoning is rated similar to the subject. The 147-feet of street frontage is inferior to the subject. The buyer's intended use is for outdoor storage. The sale was verified by J.P. Gormly, Lee & Associates.

**Comparable 2:** The general and specific locations are superior to the subject. The smaller site area is superior to the subject. The corner site configuration is superior to the subject. The rectangular shape/utility is superior to the subject. The level topography is similar. The access to utilities is similar to the subject. The site has no approved entitlements and deemed similar to the subject. The CM-R3 (Mixed Use Commercial/Residential) zoning is rated similar to the subject. The 301-feet of street frontage is similar to the subject. The buyer's intended use is for 105 adult daycare and senior apartments. The sale was verified by Armando Aguirre, Legendary Commercial.

**Comparable 3:** The general location is similar to the subject. The specific location is superior to the subject. The smaller site area is superior to the subject. The interior site configuration is similar to the subject. The rectangular shape/utility is superior to the subject. The level topography is similar. The access to utilities is similar to the subject. The site has no approved entitlements and deemed similar to the subject. The M1 (Light Industrial) zoning is rated similar to the subject. The 87.40-feet of street frontage is inferior to the subject. The buyer's intended use is for outdoor storage. The sale was verified by Mark Whitman, Dorin Realty Company.

**Comparable 4:** The general location is similar to the subject. The specific location is superior to the subject. The smaller site area is superior to the subject. The corner site configuration is superior to the subject. The irregular shape/utility is similar to the subject. The level topography is similar. The access to utilities is similar to the subject. The site has no approved entitlements and deemed similar to the subject. The LYNO (Professional Office) zoning is rated similar to the subject. The 281-feet of street frontage is similar to the subject. The buyer's intended use is for commercial development. The sale was verified by Costar and Grant Deed.

**Comparable 5:** The general location is superior to the subject. The specific location is superior to the subject. The site area is similar to the subject. The corner site configuration is superior to the subject. The rectangular shape/utility is superior to the subject. The level topography is similar. The access to utilities is similar to the subject. The site has no approved entitlements and deemed similar to the subject. The SP (Tweedy Blvd. Specific Plan) zoning is rated similar to the subject. The 720-feet of street frontage on Atlantic Ave. and the 280-feet of street frontage on Tweedy Blvd. and the 561-feet of frontage on Pinehurst Ave. are superior to the subject. The buyer's intended use is confidential. The pending sale was close to the asking price and was verified by Matt Ellis, AND Asset Management.

**Sales Comparison Approach Conclusion**

| Price PSF - Land Comparables |            |          |
|------------------------------|------------|----------|
|                              | Unadjusted | Adjusted |
| <b>Minimum:</b>              | \$71.72    | \$60.43  |
| <b>Maximum:</b>              | \$144.53   | \$115.62 |
| <b>Range:</b>                | \$72.80    | \$55.19  |

Overall, the land sales comparable indicate an unadjusted range of \$71.72 to \$144.53 per square foot. Consideration is given to each comparable due to their overall similarities with the subject property. After adjustments, the land sales comparable indicate an adjusted range of \$60.43 to \$115.62 per square foot.

In our opinion, the estimated **Market Value of the Subject Site** should fall toward the lower end of the adjusted range, or approximately **\$70 to \$80 per square foot**.

| <u>Land Area</u>                     | x | <u>Unit Value</u> | = | <u>Market Value</u>        |
|--------------------------------------|---|-------------------|---|----------------------------|
| 149,408                              | x | \$70              | = | \$10,458,560               |
| 149,408                              | x | \$80              | = | \$11,952,640               |
| <b>Market Value - (Reconciled) =</b> |   |                   |   | <b><u>\$11,210,000</u></b> |

Based on our highest and best use conclusion, the improvements have no contributory value and require demolition from the preceding land value. We estimated demolition costs as follows: \$9.14 x current cost multiplier of 1.04 x Local Cost Multiplier of 1.19 = \$11.31 per square foot x 42,140 SF = \$476,603. Source: Marshall Valuation, Section 66, page 11, Section 99, pages 3 and 6.

|                                |                  |
|--------------------------------|------------------|
| Market Value before demolition | \$11,210,000     |
| Less Demolition Costs          | <u>\$476,603</u> |
| Market Value                   | \$10,733,397     |
| Rounded                        | \$10,733,000     |

Based on the data and analysis presented, the table below presents our opinion of market value of the subject land as if vacant, as of March 13, 2024.

| Land Value Conclusion               |                     |
|-------------------------------------|---------------------|
| <b>Market Land Value Conclusion</b> | <b>\$10,733,000</b> |

## RECONCILIATION

Our valuation analyses presented in this appraisal report concluded to the following opinions:

| Valuation Approach             | Value Conclusion |
|--------------------------------|------------------|
| Cost Approach                  | Not Applicable   |
| Sales Comparison Approach      | \$10,733,000     |
| Income Capitalization Approach | Not Applicable   |

The **Cost Approach** is considered to be a strong indicator of value in recently constructed buildings, particularly when current construction costs are available and there is recent comparable land sale data that would lead to an accurate estimate of the underlying site value. This approach is weakened, however, as a building grows older because of the difficulty in accurately measuring physical depreciation. The Cost Approach can serve as a check for the other two approaches in order to assure the reasonableness of the Sales Comparison and Income Capitalization Approaches.

The **Cost Approach** is not applicable to this assignment for the following reasons:

- The age of the subject property creates obstacles with regard to accurately measuring accrued depreciation; and,
- The Sales Comparison Approach is the conventional approach relied upon by participants in the subject's marketplace.

The **Sales Comparison Approach** can be a strong indicator of value when there is an adequate number of comparable property sales that are similar to the subject in physical, functional, economic and location characteristics. This approach is weakened when the quantity or nature of available market data is insufficient for purposes of direct comparison.

Since the subject property is an investor/developer market and its market convention is to use this approach for the underlying land valuation, the Sales Comparison approach has been given primary consideration in our final estimate of value for the subject property.

The **Income Capitalization Approach** considers the future expectations of investors for properties such as the subject. It considers current market rental activity and rate-of-return requirements through the selection of a market-derived overall capitalization rate. This approach is most relevant when there are sufficient rental comparable from which to draw market rent conclusions and adequate market data from which to determine market cap rate requirements.

The Income Approach value indicator is not applicable in our final value estimate of market value for the subject because the subject’s underlying land value and the market convention is to rely on the Sales Comparison Approach less demolition costs of the existing improvements.

Therefore, based on the data and analysis above, the table below presents our final valuation conclusion of the stated ownership interest, as of the stated date of valuation.

| Valuation Premise | Interest Appraised | Effective Date of Value | FINAL Value Conclusion |
|-------------------|--------------------|-------------------------|------------------------|
| Market Value      | Fee Simple         | 3/13/2024               | \$10,733,000           |

## ANALYSIS OF THE "LEASED FEE" MARKET VALUE

The subject ground lease expires in 3 years 6 months and 27 days at \$1.00 per square foot per year. Our current market value of the underlying land area is \$11,210,000. To derive discount rates, the appraisers referred to Realty Rates.Com of ground lease discount rates for industrial and health care uses in the table below.

| <b>RealtyRates.com INVESTOR SURVEY - 4th Quarter 2023*</b> |                             |             |             |                       |             |             |
|--|-----------------------------|-------------|-------------|-----------------------|-------------|-------------|
| <b>LAND LEASES</b>   |                             |             |             |                       |             |             |
| <b>Property Type</b>                                       | <b>Capitalization Rates</b> |             |             | <b>Discount Rates</b> |             |             |
|  | <b>Min.</b>                 | <b>Max.</b> | <b>Avg.</b> | <b>Min.</b>           | <b>Max.</b> | <b>Avg.</b> |
| Apartments   | 4.29%                       | 10.95%      | 8.42%       | 6.89%                 | 11.45%      | 9.42%       |
| Golf   | 4.85%                       | 16.09%      | 10.56%      | 7.45%                 | 16.59%      | 11.56%      |
| Health Care/Senior Housing                                 | 4.85%                       | 12.25%      | 9.05%       | 7.45%                 | 12.75%      | 10.05%      |
| Industrial   | 4.65%                       | 11.95%      | 8.84%       | 7.25%                 | 12.45%      | 9.84%       |
| Lodging  | 4.79%                       | 16.02%      | 9.13%       | 7.39%                 | 16.52%      | 10.13%      |
| Mobile Home/RV Park  | 4.69%                       | 14.65%      | 9.69%       | 7.29%                 | 15.15%      | 10.69%      |
| Office   | 4.67%                       | 11.82%      | 8.55%       | 7.27%                 | 12.32%      | 9.55%       |
| Restaurant   | 5.35%                       | 18.15%      | 10.35%      | 7.95%                 | 18.65%      | 11.35%      |
| Retail   | 4.49%                       | 12.05%      | 8.94%       | 7.09%                 | 12.55%      | 9.94%       |
| Self-Storage   | 4.62%                       | 12.05%      | 9.86%       | 7.22%                 | 12.55%      | 10.86%      |
| Special Purpose  | 5.59%                       | 17.75%      | 10.69%      | 7.70%                 | 20.25%      | 10.91%      |
| All Properties   | 4.29%                       | 18.15%      | 9.46%       | 6.89%                 | 18.65%      | 10.34%      |

\*3rd Quarter 2023 Data

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The RealtyRates.Com Market Industrial Discount Rates Survey ranges from 7.25% to 12.45% with an average of 9.84%. The RealtyRates.Com Market Health Care Discount Rates Survey ranges from 7.45% to 12.75% with an average of 10.05%. We have selected three discount rates, 8.00%, 9.00% and 10.00% to apply to the Market Value of the Lease Fee Interest of the income stream plus the reversion of the land to arrive at the present value of the ground lease. We have estimated the future value of the underlying land at 3% per year or \$12,513,757.

Calculations are as follows.

| PRESENT VALUE OF CASH FLOWS AT 8% DISCOUNT   |        |                    |                      |               |
|--|--------|--------------------|----------------------|---------------|
|  | Period | Cash Flow          | PV Factor            | Present Value |
| 3/13/2024                                    | 1      | \$1                | 0.92593              | \$ 1          |
| 3/13/2025                                    | 2      | \$1                | 0.85734              | \$ 1          |
| 3/13/2026                                    | 3      | \$1                | 0.79383              | \$ 1          |
| 10/9/2027                                    | 4      | \$1                | 0.76353              | \$ 1          |
| 10/9/2027                                    | 4      | \$12,513,757       | 0.76353              | \$ 9,554,620  |
|  |        | <b>\$9,554,623</b> | <b>Present Value</b> |               |
|  |        | <b>\$9,550,000</b> | <b>Rounded</b>       |               |
| Period 4 is 3.627 years                      |        |                    |                      |               |
| FV Factor at 3%/Year = 1.1163 * \$11,210,000 |        |                    |                      |               |

| PRESENT VALUE OF CASH FLOWS AT 9% DISCOUNT   |        |                    |                      |               |
|--|--------|--------------------|----------------------|---------------|
|  | Period | Cash Flow          | PV Factor            | Present Value |
| 3/13/2024                                    | 1      | \$1                | 0.91743              | \$ 1          |
| 3/13/2025                                    | 2      | \$1                | 0.84168              | \$ 1          |
| 3/13/2026                                    | 3      | \$1                | 0.77218              | \$ 1          |
| 10/9/2027                                    | 4      | \$1                | 0.73933              | \$ 1          |
| 10/9/2027                                    | 4      | \$12,513,757       | 0.73933              | \$ 9,251,780  |
|  |        | <b>\$9,251,783</b> | <b>Present Value</b> |               |
|  |        | <b>\$9,250,000</b> | <b>Rounded</b>       |               |
| Period 4 is 3.627 years                      |        |                    |                      |               |
| FV Factor at 3%/Year = 1.1163 * \$11,210,000 |        |                    |                      |               |

| PRESENT VALUE OF CASH FLOWS AT 10% DISCOUNT  |        |                    |                      |               |
|--|--------|--------------------|----------------------|---------------|
|  | Period | Cash Flow          | PV Factor            | Present Value |
| 3/13/2024                                    | 1      | \$1                | 0.90909              | \$ 1          |
| 3/13/2025                                    | 2      | \$1                | 0.82645              | \$ 1          |
| 3/13/2026                                    | 3      | \$1                | 0.75131              | \$ 1          |
| 10/9/2027                                    | 4      | \$1                | 0.71612              | \$ 1          |
| 10/9/2027                                    | 4      | \$12,513,757       | 0.71612              | \$ 8,961,300  |
|  |        | <b>\$8,961,303</b> | <b>Present Value</b> |               |
|  |        | <b>\$8,960,000</b> | <b>Rounded</b>       |               |
| Period 4 is 3.627 years                      |        |                    |                      |               |
| FV Factor at 3%/Year = 1.1163 * \$11,210,000 |        |                    |                      |               |

We have reconciled the preceding market value of the Leased Fee Interest at \$9,250,000, less demolition costs of \$532,034 (FV Factor 1.11603 x \$476,603) = \$8,717,966, rounded to \$8,720,000.

Based on the data and analysis presented above, it is our opinion that the following Market Value of the Leased Fee Interest is indicated for the subject property.

| Valuation Premise | Interest Appraised | Effective Date of Value | FINAL Value Conclusion |
|-------------------|--------------------|-------------------------|------------------------|
| Market Value      | Leased Fee         | 3/13/2024               | \$8,720,000            |

## EXPOSURE TIME ESTIMATE

**Exposure Time** is defined as *"The estimated length of time the property interest being appraised would have to have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."*

The following table shows the length of time the comparable land sales were on the market.

| Sale Comp # | Exposure Time |
|-------------|---------------|
| 1           | Not Available |
| 2           | Not Available |
| 3           | 2 to 3 Months |
| 4           | Not Available |
| 5           | 25 Months     |

Our survey of market participants ranges from 3 to 6 months. In our opinion, the marketing and exposure time for the subject property should be approximately 3 to 6 months.

## CERTIFICATION

We certify that to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, **Joe Villegas, MAI** and **David Rosenthal, MAI** have completed the continuing education program for designated members of the Appraisal Institute.
- We have had ample experience with the subject property type and marketplace, and we possess the requisite knowledge to perform this appraisal assignment competently.
- **Joe J. Villegas, MAI** has made a personal inspection of the property that is the subject of this report. **David Rosenthal, MAI, FRICS** has not made a personal inspection of the property that is the subject of this report.
- **Joe J. Villegas, MAI** has performed the selection of comparable properties, collection and verification of data, and preliminary analysis. **David Rosenthal, MAI, FRICS** has reviewed and approved the final selection of comparable properties, and the final analysis and conclusion of value. Other than those mentioned, **Mavelle Judan** prepared the front-end appraisal assistance to the person(s) signing this certification.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Joe J. Villegas, MAI  
CA #AG004648  
jvillegas@curtisrosenthal.com



David M. Rosenthal, MAI, FRICS  
CA #AG001641  
drosenthal@curtisrosenthal.com

## ADDENDA

### DEFINITIONS

### GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

### APPRAISER QUALIFICATIONS AND LICENSES

### PARTIAL LIST OF CLIENTS

## Definitions

Definitions are cited from *The Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), published by the Appraisal Institute, unless otherwise noted)

**Appraisal** – “1. The act or process of developing an opinion of value. 2. An opinion of value.”

**“As Is” Market Value** - “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

**Extraordinary Assumption** – “An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.” (USPAP 2018-2019)

**Fair Market Value** - “The price at which the property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.” (IRS Regulations 26 CFR 20.2031-1b and 26 CFR 25.2512-1)

**Fee Simple Estate** - “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

**Ground Lease** – “A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term.”

**Hypothetical Condition** – “A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.” (USPAP 2018-2019)

**Leased Fee Estate** – “A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).”

**Leasehold Estate** – “The tenant’s possessory interest created by a lease.”

**Market Rent** - “The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).”

**Market Value** - The following definition of Market Value is used by agencies that regulate federally insured financial institutions in the United States (*U.S. Code Title 12, CFR Banks and Banking, Part 323.2 as published in the Federal Register*):

*"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.*

*Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- a. buyer and seller are typically motivated;*
- b. both parties are well-informed or well-advised, and acting in what they consider their best interests;*
- c. a reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- e. the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

**Prospective Opinion of Value** – *"A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy."*

**Retrospective Value Opinion** – *"A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."*

**Sandwich Leasehold Estate** – *"The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate."*

**Stabilized Occupancy** – *"An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent."*

## General Assumptions and Limiting Conditions

This appraisal report has been made with the following **General Assumptions**:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that there is compliance with all applicable zoning and land use regulations and restrictions unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following **General Limiting Conditions**:

1. The distribution, if any, of the total valuation in this report between land and improvements, applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraisers, by reason of this appraisal, are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate unless such proration or division of interests has been set forth in the report.
6. The appraisers assume that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, encumbering the property.
7. No survey was furnished so the appraisers relied on the assessor's plat map to ascertain the physical dimensions and acreage of the subject property. Should a survey prove these characteristics inaccurate, it may be necessary for this appraisal to be adjusted.
8. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
9. Complete building plans and specifications were not available for use in the preparation of this appraisal. The analysis, therefore, is subject to review of the final plans and specifications when available.
10. Any proposed improvements are assumed to have been completed unless otherwise stipulated. Any construction is assumed to conform to the building plans referenced in the report.
11. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geologic reports are made available.
12. No termite inspection report was available. The appraisers personally inspected the subject property and found no significant evidence of termite damage or infestation. No guarantee that none exists, however, should be construed.
13. No consideration has been given in this appraisal to the value of property considered by the appraisers to be personal, located on the premises, or the cost of moving/relocating such personal property. Only the real estate has been considered.

14. In this appraisal assignment, the existence of potentially hazardous materials used in the construction or maintenance of the building, such as the presence of asbestos or urea formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraisers are not qualified to detect such substances. We urge the client to retain an expert in the field if desired.
15. Unless otherwise stated, no responsibility is assumed for any damage sustained in connection with actual or potential deficiencies or hazards such as, but not limited to, inadequacies or defects in the structure, design, mechanical equipment or utility services associated with the improvements, air or water pollution, lead paint, noise, flooding, storms or wind, traffic and other neighborhood hazards, radon gas, asbestos, natural or artificial radiation, or hazardous materials or toxic substances of any description, whether on or off the property appraised. The appraisers are not qualified to detect hazardous waste or materials on, in or under the land or the improvements. Such a determination requires the investigation of a qualified expert in hazardous materials and assessment. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of asbestos or urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraisers are not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to-cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report; however, this does not suggest ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.
17. The appraisers made no engineering survey of the subject property. Except as specifically stated, data relative to size and area has been taken from sources considered reliable, but no guarantee of accuracy is expressed or implied. Interested parties should retain a surveyor or other qualified professional for exact measurements of the subject property.

#### **SPECIAL ASSUMPTIONS AND CONDITIONS**

The applicability of *Extraordinary Assumptions*, *Hypothetical Conditions* or *Special Limiting Conditions* is addressed in the **Scope of Work** section of this report.

## Appraiser Qualifications

Professional Qualifications of

**JOE VILLEGAS, MAI**

### EDUCATION

**Bachelor of Arts Degree, 1974**

California State University, Fullerton, Fullerton, California  
Major in Art and History

### PROFESSIONAL DESIGNATIONS

**Appraisal Institute No. 9196**

MAI Member

**State of California, Bureau of Real Estate Appraisers**

Certified General Real Estate Appraiser (#AG004648)

**State of California, Real Estate Broker**

(License # 00380118)

**International Right of Way Association**

Member and Past President of Inland Empire Chapter 57

### EXPERIENCE

**CURTIS - ROSENTHAL, Inc.**, 2016 to date – Director

Perform field appraisals, and review appraisals for public and private sector clients. Properties appraised include: residential, apartments, commercial, industrial, special purpose, vacant land and part takes.

**Villegas Appraisal Co.**, -1987-2015 Real Estate Appraiser

Responsible for the appraisal of retail shopping centers, office buildings, restaurants, motels, apartment complexes, cold storage facilities, mixed use commercial projects and residential subdivisions. Completed hundreds of appraisal assignments for public and private sector clients throughout Southern California. Experience includes providing reviews of commercial and residential appraisal reports for the banking industry. Extensive experience providing expert witness services including deposition and trial testimony.

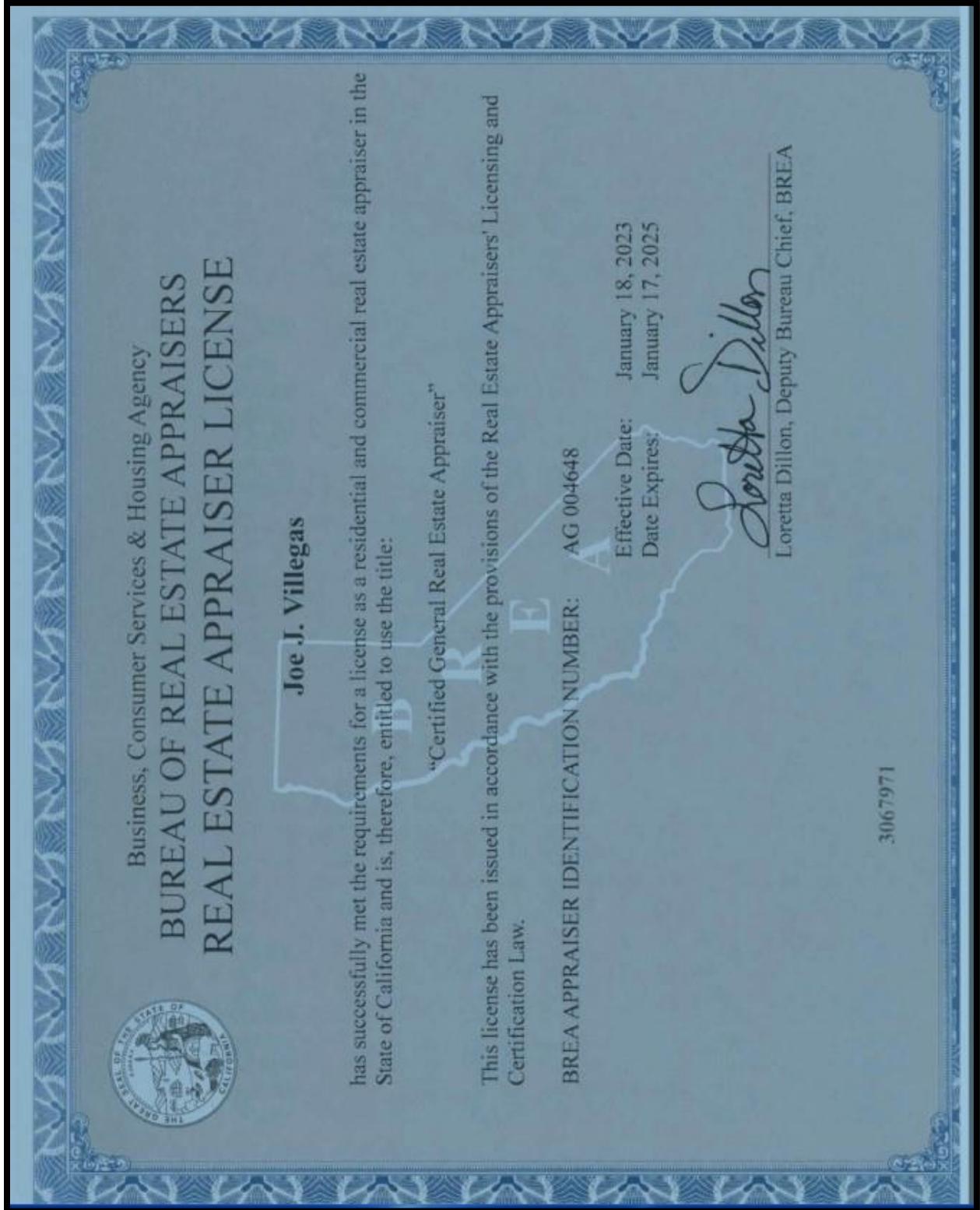
### EXPERT WITNESS

Accepted as an expert witness in Los Angeles County Superior Court and Orange County.

**PROJECT EXPERIENCE**

- California High-Speed Rail Authority, First Construction Section, Fresno County, CA
- De Anza Boulevard Realignment Project, City of Calexico, CA
- Caltrans, Region 7, 710 Freeway Corridor Project, Cities of South Pasadena, Pasadena and Los Angeles, CA
- So. California Gas Company Pipe Line Upgrade Project, San Luis Obispo County and City of Pismo Beach, CA
- Southern California Gas Company Pipe Line Upgrade Project, Kings County, CA
- Yucaipa Boulevard Widening Project, City of Yucaipa
- Palm Canyon Drive Widening Project, City of Palm Springs
- Avenue E Roundabout Project, City of Yucaipa
- Renaissance Parkway Project, City of Rialto
- Former Youth Correction Facility, Paso Robles for the CA Department of General Services
- Partial Fee Acquisition projects for Los Angeles County Metropolitan Transportation Authority

Current Appraiser License



**Professional Qualifications of****DAVID M. ROSENTHAL, MAI, FRICS****PROFESSIONAL DESIGNATIONS****Appraisal Institute**

MAI Member, Appraisal Institute (MAI #8024)  
Member of the Regional Ethics & Counseling Panel, 1994-1997, 2000-2003

**Royal Institution of Chartered Surveyors**

Fellow of the Royal Institution of Chartered Surveyors, (FRICS #1291058)

**State of California, Bureau of Real Estate Appraisers**

Certified General Real Estate Appraiser (#AG001641)

**EDUCATION****Master of Management Degree (MBA), 1980**

J.L. Kellogg Graduate School of Management, Northwestern University,  
Evanston, Illinois - Concentrations in Finance and Accounting

**Bachelor of Science Degree, 1978**

University of Florida, Gainesville, Florida  
Major in Business Administration - concentration in Finance

**EXPERIENCE****CURTIS - ROSENTHAL, Inc., 1983 to present – President & CEO**

Founding principal of regional commercial real estate appraisal and consulting firm. Perform field appraisals and review appraisals for: Commercial Mortgage Lenders (Banks, Life Insurance Companies, CMBS, Pension Funds), Public Agencies (City Governments, Transit Agencies), Law Firms (Real Estate Litigation, Estate and Trust, Lease Negotiation), Corporations (Valuation for Financial Reporting), and Accounting Firms. Properties appraised include: retail, office, industrial, apartments, condominiums, mixed-use, special purpose, and vacant land. Areas of experience include southern and northern California, Arizona and Nevada.

**Security Pacific National Bank, 1981-1982 - Corporate Loan Officer**

Responsible for portfolio of loans consisting primarily of real estate companies. Projects financed included construction and renovation of income properties and development of new residential tracts.

**EXPERT WITNESS**

Accepted as an expert witness in the following courts:

Federal Bankruptcy Court - California Central District  
Superior Court - Los Angeles County and Orange County  
Municipal Court - Orange County

**INSTRUCTOR****Loyola Marymount University, 1987 - 2016**

College of Business Administration, Finance Department - Guest Instructor

**Federal Reserve Bank of San Francisco, 2015**

Risk Connection 2015, Risks with Construction Development Lending-Guest Trainer

**University of California at Los Angeles, 1988**

UCLA Extension, Financial Institutions Management Program - Guest Instructor

**Professional Qualifications of****DAVID M. ROSENTHAL, MAI, FRICS (Cont'd)****PROFESSIONAL AFFILIATIONS**

Appraisal Institute, 1989-present  
 Strategic Planning Committee, Chairman 2014  
 IRS Valuation Summit, Los Angeles, Conference Co-Chair 2013; Washington D.C., Planning Committee 2014  
 California Bankers Association, Affiliate Member 2009-present  
 California Mortgage Bankers Association (CMBA), Affiliate Member, 2001-2014, 2017, 2018  
 Planning Committee for Commercial Real Estate Finance Conference, 2003-2014  
 Entrepreneurs Organization (EO, formerly YEO/WEO), 1997 to 2007  
 International Council of Shopping Centers (ICSC), 2011, 2017  
 Los Angeles Economic Development Corporation, 2004  
 Los Angeles Estate Planning Council (LAEPC), 2009-present; Program Chair 2009-2010  
 Los Angeles Mortgage Association (LAMA), Co-Founder, Co-Chair 2000-present  
 Royal Institution of Chartered Surveyors, 2010-present  
 Society of Chief Appraisers (SCA), Planning Committee, 2009-present  
 Southern California Real Estate Alliance (SCREA), 1987-present; Co-Chair 1995-1996, 2003  
 Western Independent Bankers, Affiliate Member 2009-2011

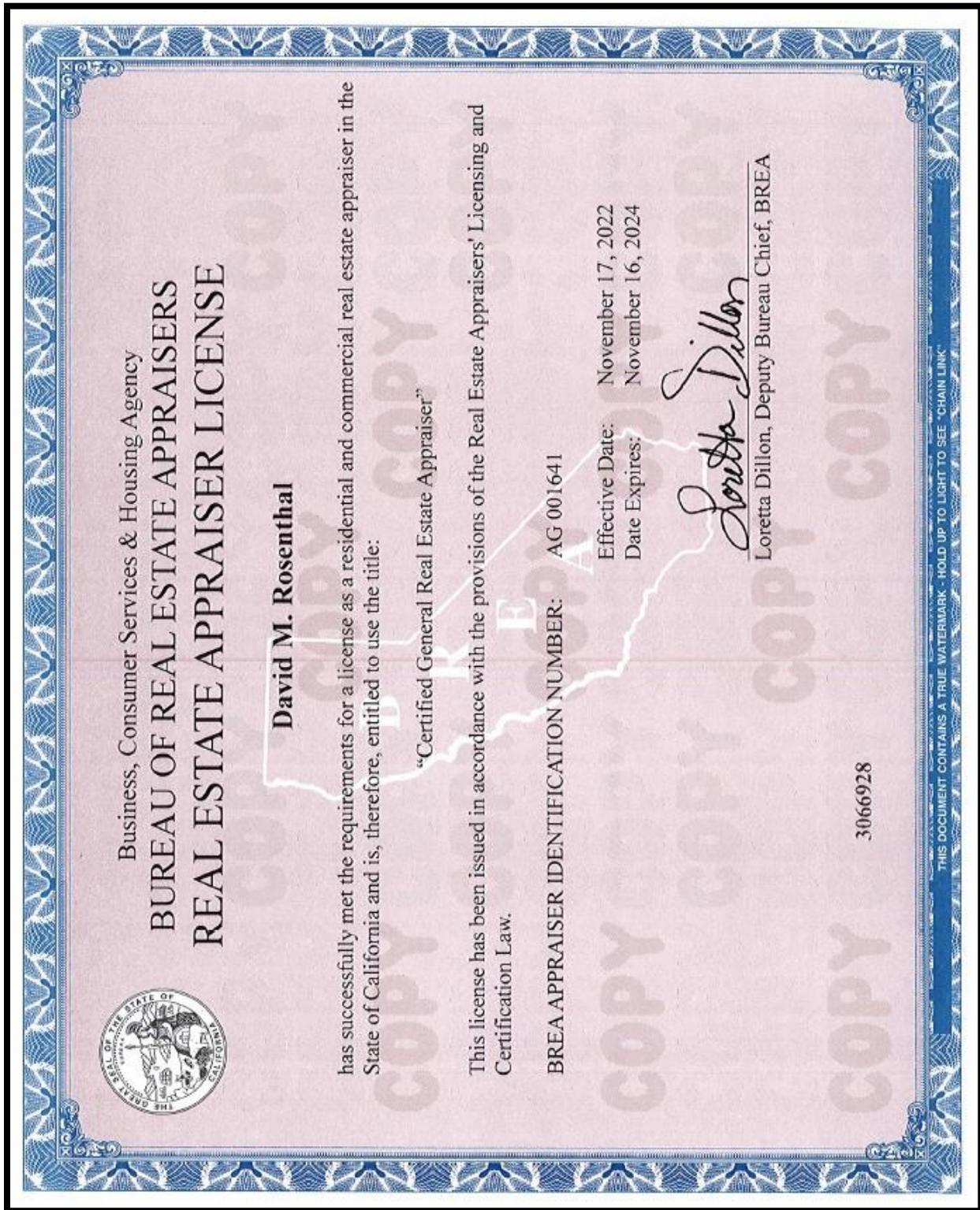
**SPEAKING ENGAGEMENTS**

Appraisal Institute  
 IRS Valuation Summit, Conference Co-Chair 2013; Moderator-Partial Interest Valuation Panel 2013, 2014  
 Western Regional Conference, 1996-1999  
 SF Bay Area Fall Conference, 1998  
 California Bankers Association, Chief Credit Officers Symposium, 2008-2010  
 California Bar Association, Real Property Law Section, 2011  
 California Mortgage Bankers Association, Commercial Real Estate Finance Conference, 2003-2009  
 California CPA Education Foundation, 1998  
 CREFC Capital Markets Conference, 2014  
 Crittenden National Conference, 2009  
 ICSC/LAMA Capital Markets Conference, 2011-2012  
 IMN Troubled Assets Conference, 2010  
 Institute of Management Accountants, 1997  
 International Right of Way Association, IRWA/AI Joint Conference, 2002, 2008  
 Los Angeles Estate Planning Council, 2009  
 National Council of Real Estate Investment Fiduciaries (NCREIF), National Conference, 2005  
 Society of Chief Appraisers 2009-2015  
 Special Assets Management Association, 2010-2012  
 Western Independent Bankers, Troubled Asset Forum, 2009, 2011

**PUBLICATIONS**

California Mortgage Bankers Association Legal News  
*Valuation Clauses in Leases, Ground Leases and Purchase Options*, September 2011  
 California Mortgage Finance News  
*Silicon Beach, The New Frontier*, September 2015  
*Life Company Risk-Based Capital for Commercial Mortgages*, September 2013  
*Understanding the New Interagency Appraisal and Evaluation Guidelines*, May 2011  
 California Real Estate Journal  
*Telling the Story – A Solutions Approach to Appraisal*, September 2003  
 Real Estate News Television (RENTV.com)  
*Economic Update*, Regular Column 2002 to 2015  
 Real Estate Southern California  
*What Happened to CMBS?* September 2007  
*The ABC's of CDO's*, September 2006  
*The CMBS Market Comes of Age*, March 2006  
*Real Estate Cycles – A Long Term Perspective*, September 2005  
 Western Independent Bankers – Lending and Credit Digest  
*Evaluations in Compliance with the Interagency Appraisal and Evaluation Guidelines*, June 2012  
*Assessing Collateral Values*, October 2010  
*Commercial Bank Appraisal Administration*, July 2010

Current Appraiser License



**Partial List of Clients Served****COMMERCIAL BANKS**

American Continental Bank  
Americas United Bank  
Bank of America  
Bank of Manhattan  
Bank of Hemet  
Bank of the Ozarks  
Bank of Santa Clarita  
Bank of the West  
Bank One Arizona  
Bofl Federal Bank  
Borel Private Bank & Trust Co.  
Boston Private Bank & Trust Co.  
Builders Bank  
California Business Bank  
Capital One Bank  
Cathay Bank  
Centennial Bank  
Citigroup  
Citizens Business Bank  
City National Bank  
City State Bank  
Coast National Bank  
Community Bank  
CTBC Bank  
Eastern International Bank  
East West Bank  
EverTrust Bank  
Far East National Bank  
Farmers and Merchants Bank  
FDIC  
First Commerce Bank  
First Foundation Bank  
First General Bank  
First National Bank of Northern California  
First National Bank of Southern California  
First Republic Bank  
Grandpoint Bank  
Greater Bay Bancorp  
Habib American Bank  
Hanmi Bank  
Heritage Oaks Bank  
Independence Bank  
JP Morgan Chase Bank  
Key Bank  
Korea Exchange Bank  
La Jolla Bank  
Luther Burbank Savings Bank  
Macquarie Bank  
Marshall & Isley Bank  
Mellon First Business Bank  
Mercantile National Bank

MidFirst Bank  
Mission Bank  
Mission Valley Bank  
NARA Bank  
National Bank of California  
Northern Trust Bank  
Pacific Alliance Bank  
Pacific Capital Bancorp  
Pacific City Bank  
Pacific Commerce Bank  
Pacific Mercantile Bank  
Pacific Premier Bank  
Pacific Western Bank  
Philippine National Bank  
Popular Community Bank  
Preferred Bank  
Premier Business Bank  
Premier Commercial Bank  
Provident Bank  
Provident Savings Bank  
Rabobank  
Regents Bank  
Royal Business Bank  
Saehan Bank  
Security Bank of California  
Silvergate Bank  
Sunwest Bank  
The Private Bank of California  
United Business Bank  
Universal Bank  
US Bancorp  
US Metro Bank  
Vibra Bank  
Wells Fargo Bank  
Wilshire Bank  
Zions Bank

**CREDIT UNIONS**

Altura Credit Union  
American First Credit Union  
California Coast Credit Union  
California Credit Union  
Extensia Financial  
Kinecta Federal Credit Union  
LA Fireman's Credit Union  
Mission Federal Credit Union  
NuVision Credit Union  
Orange County's Credit Union  
Premier America Credit Union  
Southland Credit Union

**Partial List of Clients Served (Cont)****INSURANCE COMPANIES**

AEGON USA  
 Allianz Life Insurance Company  
 Allstate Investments, LLC  
 American Equity Investment Life Insurance Co.  
 American National Insurance Company  
 American United Life Insurance Company  
 Assurant Inc.  
 Chubb Group of Insurance Companies  
 Columbian Mutual Life Insurance Company  
 Genworth Financial  
 Golden State Mutual Life  
 Great West Life Insurance Company  
 Hartford Insurance Company  
 Home Life Insurance Company  
 IDS Life Insurance Company  
 ING Life Insurance Company  
 John Hancock Real Estate Finance  
 Kansas City Life Insurance Company  
 Lafayette Life Insurance Company  
 Lincoln National Life Insurance Company  
 MetLife Capital Financial Corporation  
 Nationwide Insurance Company  
 Principal Global Investors  
 Protective Life Insurance Company  
 Prudential Mortgage Capital  
 Riversource  
 Southern Farm Bureau Life Insurance  
 Stancorp Mortgage Investors, LLC  
 State Farm Insurance Company  
 Sun Life Insurance Company  
 SunAmerica Insurance Company  
 Symetra Financial  
 Thrivent Financial for Lutherans  
 Union Central Life Insurance Company  
 Union Labor Life Insurance Company  
 United Farm Family Life Insurance Company  
 United Olympic Life Insurance Company  
 United Security Insurance Company

**MULTI-FAMILY LENDERS**

ABN/AMRO Apartment Lending  
 Ameriprise Financial  
 Amerisphere Multi-Family Finance  
 Arbor National Mortgage  
 Beech Street Capital  
 Centerline Capital Group  
 CW Capital  
 Deutsche Bank Mortgage Capital  
 Mark One Capital, Inc.  
 PNC/ARCS Commercial Mortgage  
 Prudential Huntoon Paige  
 Walker & Dunlop

**COMMERCIAL MORTGAGE BANKERS/ BROKERS**

Alison Mortgage Company  
 Amherst Real Estate Capital  
 Balboa Financial  
 Barry S. Slatt Mortgage Company  
 Berkadia Commercial Mortgage  
 Bond Street Capital  
 Buchanan Street Partners  
 Burnham Capital Markets  
 Cohen Financial  
 George Elkins Mortgage Banking Company  
 George Smith Partners, Inc.  
 Grandbridge Real Estate Capital  
 Highland Realty Capital, Inc.  
 Holiday Fenoglio Fowler, LP  
 iCap Realty Advisors  
 Koss Financial Corporation  
 Love Funding Corporation  
 Marcus and Millichap Capital Corporation  
 Mason McDuffie Financial Corporation  
 Meridian Capital Group, Inc.  
 Newmark Realty Capital, Inc.  
 NorthMarq Capital, Inc.  
 Pacific Southwest Realty Services  
 Partners Realty Capital, LLC  
 Pathfinder Mortgage Corporation  
 Q10 National Mortgage Co.  
 Sunrise Mortgage & Investment Company  
 Terrix Financial Corporation  
 Walker and Dunlop

**PENSION FUNDS / ADVISORS**

Alcatel Lucent Asset Management Corp.  
 American Realty Advisors  
 CALPERS  
 California State Teachers Retirement System  
 Construction Laborers Pension Trust  
 Crosson Dannis, Inc.  
 Emerson International  
 Equitable Real Estate Investment Mgt., Inc.  
 Essex Property Trust  
 Guggenheim Trust Company, LLC  
 Heitman/JMB Institutional Realty Advisors  
 J.P. Morgan Investment Management  
 Olympic Realty Advisors  
 Principal Real Estate Investors  
 Standard Management Company

**Partial List of Clients Served (Cont)****CMBS SPECIAL SERVICERS**

C-III Asset Management, LLC  
 Key Bank  
 LNR Partners, LLC  
 Midland Loan Services  
 Helios AMC, LLC  
 Berkadia Commercial Mortgage  
 TriMont Real Estate Advisors

**CMBS LENDERS**

Barclays Capital Real Estate, Inc.  
 Bridger Commercial Funding  
 CIBC World Markets Corp.  
 Credit Suisse  
 CW Capital  
 Deustchebank Mortgage Capital  
 JP Morgan Mortgage Capital  
 Key Commercial Mortgage  
 Morgan Stanley  
 Natixis Real Estate Capital, Inc.  
 RBS Greenwich Capital  
 Redwood Trust  
 UBS Securities, LLC

**CORPORATIONS**

Alta Hospital System  
 ATT Wireless Services, Inc.  
 Best California Gas Co.  
 Bridgestone Retail Operations  
 Brotman Hospital  
 California Sports, Inc.  
 Chevron Oil Company  
 Getty Oil Company  
 IMAX Corporation  
 Los Angeles Orthopedic Hospital Foundation  
 Mercury Air Cargo, Inc.  
 Mobil Oil Corporation  
 Neiman-Marcus Group, Inc.  
 Pandemic Studios  
 Rite Aid Corporation  
 Safeway Corporation  
 Salvation Army  
 Santa Monica Home Owners Corporation  
 Thrifty Oil Company  
 Wal-Mart Stores, Inc.  
 Whirlpool Financial Corporation

**PUBLIC AGENCIES**

California Housing Finance Association  
 Carson Redevelopment Agency  
 City of Adelanto  
 City of Chino  
 City of Colusa  
 City of Gardena  
 City of Grand Terrace  
 City of Inglewood  
 City of Los Angeles  
 City of Montebello  
 City of Norco  
 City of Palos Verdes  
 City of Pasadena  
 City of Rialto  
 City of Riverside  
 City of San Louis Obispo, Housing Authority  
 City of San Mateo  
 City of Santa Monica  
 City of Vernon  
 City of Whittier  
 City of Yukaipa  
 Coachella Valley Mountains Conservancy  
 Compton Unified School District  
 Consulate General of Poland  
 County of San Mateo  
 Inglewood Redevelopment Agency  
 Inglewood Unified School District  
 Los Angeles Community College District  
 Los Angeles Housing Department  
 Los Angeles Unified School District  
 Los Angeles World Airports (LAWA)  
 Metropolitan Transit Authority (MTA)  
 Mountains Recreation & Conservation Authority  
 Newport Harbor Nautical Museum  
 Oakland Community Housing, Inc.  
 Philippine Consulate  
 Rosamond Community Services District  
 San Fernando Valley Economic Development Corp.  
 Santa Monica College  
 Santa Monica-Malibu Unified School District  
 Simi Valley Unified School District  
 The Port of Long Beach  
 The Port of Los Angeles  
 US General Services Administration  
 US Postal Service

**Partial List of Clients Served (Cont.)****ATTORNEYS**

Akin Gump Strauss Hauer & Feld, LLP  
Allen Matkins Leck Gamble Mallory & Natsis  
Arter & Hadden  
Barnes & Thornburg LLP  
Bird Marella  
Booth, Mitchel & Strange, LLP  
Brownstein, Hyatt, Farber, Schreck, LLP  
Bryan Cave  
Burhenn & Gest, LLP  
Cadden & Fuller, LLP  
Charlston, Revich, & Williams  
Chrystie and Berle  
Coudert Brothers, LLP  
Cox, Castle, & Nicholson  
DeCastrow, West, Chodorow, Glickfield & Nass  
Engstrom, Lipscomb and Lack  
Frandzel Robins Bloom & Csato, LC  
Gianelli and Morris  
Gibson, Dunn and Crutcher, LLP  
Goodson and Wachtel  
Greenberg, Glusker, Fields, Claman and Machtinger  
Greenberg Traurig  
Haight, Brown, & Bonesteel  
Hoffman, Saban and Watenmaker  
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Inman, Weisz, & Steinberg  
Jeffer, Mangels, Butler, & Mitchell  
K&L Gates, LLP  
Kane, Ballmer & Berkman  
Katten, Muchin, Zavis and Weitzman  
King, Holmes, Paterno & Berliner, LLP  
Levin & Seligman  
Levinson & Lieberman  
Loeb and Loeb  
Luce, Forward, Hamilton & Scripps LLP  
Manatt, Phelps & Phillips, LLP  
Marlin and Saltzman  
McDermott, Will & Emery  
McGuire Woods  
McNicholas & McNicholas, LLP  
Mindlin and Tigerman  
Mitchell, Silberberg, & Knupp, LLP  
Morris, Polich and Purdy, LLP  
Munger, Tolles, & Olson  
Murchison & Cumming  
Musick, Peeler & Garrett, LLP  
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O'Melvany and Meyers  
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Pircher, Nichols, and Meeks  
Resch Polster & Berger, LLP  
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Rodi, Pollock, Pettker, Christian & Pramov  
Rucker and Clarkson  
Shapiro, Poesell, & Close  
Shiotani & Inouye  
Sidley and Austin  
Smith and Hilbig  
Thomashow, Brown and Paiallii, LLP  
Tilem and Gole  
Troy and Gould  
Weinstock Manion  
White & Case  
Wolf, Rifkin, Shapiro & Shulman  
Youngerman and McNutt, LLP

**DEVELOPERS**

Athena Group, LLC  
California Landmark Development  
Catellus Development Corporation  
Champion Real Estate Services  
CIM Group  
Cloverfield Group  
Combined Properties  
Daiwa House Corporation  
First City  
Goldrich and Kest Industries  
Haseko, Inc.  
HB Drollinger Company  
Held Properties, Inc.  
Jamison Services, Inc.  
Kennedy Wilson  
Koar Development Group, LLC  
O&S Holdings  
Regency Centers  
Roberts Companies  
Soboroff Partners  
Trammel Crowe

CBRE VALUATION & ADVISORY SERVICES

# APPRAISAL REVIEW REPORT

KEDREN COMMUNITY HEALTH CENTER  
710 EAST 111TH PLACE  
LOS ANGELES, CALIFORNIA 90059  
CBRE FILE NO. CB24US033589  
CLIENT: GENERAL SERVICES DEPARTMENT, CITY OF LOS ANGELES

**CBRE**



Valuation & Advisory Services  
5921 Owensmouth Avenue  
Woodland Hills, CA 91367  
T (818) 251-3647  
www.cbre.com

Date of Report: May 18, 2024

Armando Parra  
Property Manager  
City of Los Angeles, General Services Department  
111 East 1st Street, City Hall South  
Los Angeles, California 90059 cited in an

RE: Appraisal Review of Leased Fee and Fee Simple Interests  
Kedren Community Health Center  
710 E. 111th Place  
Los Angeles, California 90059  
CBRE, Inc. File No. CB24US033589

Dear Mr. Parra:

At your request and authorization, CBRE, Inc. has prepared the accompanying review of an appraisal of the leased fee and fee simple interests of the above-referenced property. It is the intent of this review to address the applicability of the report, its analysis, and conclusions for its stated objective.

## Overview and Scope of Work

A summary of relevant information for this assignment, presented in part to address the requirements of Standards Rule 3-3 of the *Uniform Standards of Professional Appraisal Practice* (USPAP), follows.

### Client and intended users of the appraisal review

Mr. Armando Parra of the City of Los Angeles General Services Department is the client for this review; he and other members of the City of Los Angeles General Services Department are the intended users of this review.

### Effective date of the appraisal review

The effective date of value of the appraisal review is March 13, 2024. The date of the appraisal review is May 18, 2024.

### Intended use of the appraisal review

To assist the client in internal evaluation of the Curtis-Rosenthal, Inc. appraisal.

### Purpose of the appraisal review

To determine if the results of the appraisal under review are credible for the intended user's intended use and to evaluate compliance with relevant USPAP requirements.

### Extraordinary Assumptions of the review

Use of the Extraordinary Assumptions listed below may affect the assignment results.

- We were unable to verify the square footage of structural improvements on the site. Primary sources of building area, including the Los Angeles County Assessor's portal and City of Los Angeles Building and Safety Department building permit records, were reviewed but did not contain data allowing us to verify the building area of the subject. It is an Extraordinary Assumption of the review that the 42,140-square foot building area figure cited in an ALTA/NSPS land title survey accurately identifies the building area as built.
- The review appraiser made no investigations of whether hazardous or toxic substances affect the subject property. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal are predicated on the assumption that there are no hazardous or toxic materials in or on the subject property.
- The review appraiser made no independent investigations regarding matters of title. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal are predicated on the assumption that title to the property is good and marketable and that the property is free and clear of any liens, easements or encumbrances other than the ground lease previously described.

### Hypothetical Condition(s) of the review

The review is subject to no hypothetical condition.

### Work under review

The work under review is the appraisal report (hereinafter "the Curtis-Rosenthal, Inc. appraisal report") completed by Joe J. Villegas, MAI and David M. Rosenthal, MAI, FRICS (hereinafter "the appraisers"). The subject of the Curtis-Rosenthal, Inc. appraisal report is a 3.43-acre site owned by the City of Los Angeles. The site is ground leased to Kedren Health, which previously operated a mental health center in a medical office building on the site. The ground rent due to the ground lessor, the City of Los Angeles, is one dollar annually and the ground lease expires October 9, 2027. The ownership of the improvements will revert to the City of Los Angeles upon expiration of the ground lease.

The street address of the property is 710 East 111th Place, Los Angeles, California 90059. The property is identified as Los Angeles County Assessor's Parcel Number 6071-022-902. The property is zoned M1-1-CPIO, Limited Industrial, the zoning is {Q}M1-1, Limited Industrial Zone.

The date of the Curtis-Rosenthal, Inc. appraisal report is May 17, 2024 and the effective date of value of the report is March 13, 2024. The Curtis-Rosenthal, Inc. appraisal report provided the following market value conclusions:

Market value of leased fee interest: \$8,720,000

Market value of fee simple interest: \$10,733,000

### **The real estate which is the subject of the appraisal review**

The subject property of the Curtis-Rosenthal, Inc. appraisal report is the 3.43-acre site owned by the City of Los Angeles and ground leased to Kedren Health. The ground lessee owns a 42,140-square foot medical office building on the site which was formerly operated as the Kedren Community Mental Health Center. The appraisers indicated the improvements are vacant. The street address of the property is 710 East 111th Place, Los Angeles, California 90059. The City of Los Angeles is the property owner. It is noted that the site also includes a 2,180-square foot modular classroom building which is identified as personal property. The appraisal contains valuations of the subject real property and the valuation of personal property is appropriately not included.

### **The interest to be appraised which are the subjects of the appraisal review**

The interests to be appraised are the leased fee interest and the fee simple in the property identified as 710 East 111th Place, Los Angeles, California 90059.

### **Types and definitions of value**

The appraisal under review uses market value, defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated.
- b. both parties are well-informed or well-advised, and acting in what they consider their best interests.
- c. a reasonable time is allowed for exposure in the open market.
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." as defined by Comptroller of the Currency Insurance Regulation 563.17-1a(b)(2) and market rent, as defined in The Dictionary of Real Estate Appraisal.

(U.S. Code Title 12, CFR Banks and Banking, Part 323.2 as published in the Federal Register)

### **Summary of the scope of work**

I read the Curtis-Rosenthal, Inc. appraisal report and performed sufficient analysis to understand the neighborhood location of the subject property, physical and legal characteristics of the property, and the sale comparable and discount rate data used in the Curtis-Rosenthal, Inc. appraisal report. I independently sourced and analyzed land sale data. I reviewed published appraisal standards including the Uniform Standards of Professional Appraisal Practice and considered the application of generally accepted appraisal procedures to the report. I reviewed the appraisal for arithmetical accuracy and internal consistency.

### **Use of the real estate as of the date of value**

As of the date of value the site is encumbered with a ground lease to Kedren Community Health Center Inc. (tenant), which previously occupied the improvements. The contract rent is at a flat rate (no escalations) of one dollar per year. The lease expires on October 9, 2027. As of the date of value the property was improved with a vacant 42,140-square foot medical office building.

### **Extraordinary assumptions of the Curtis-Rosenthal, Inc. appraisal report**

Use of extraordinary assumption may affect the assignment results. The report is subject to no Extraordinary Assumptions.

### **Special Limiting Conditions of the Curtis-Rosenthal, Inc. appraisal report**

The report is subject to no special limiting conditions.

### **Hypothetical Conditions of the Curtis-Rosenthal, Inc. appraisal report**

The report is subject to no Hypothetical Conditions.

## **USPAP Compliance Review**

The appraisers adequately addressed the following issues in the report:

- Did not perform an assignment with bias.
- Did not advocate the cause or interest of any party or issue.
- Did not violate any state or local antidiscrimination laws or regulations applicable to the appraiser or to the assignment.
- Identified the location and physical and economic attributes of the subject property.
- Identified the purpose of the appraisal.
- Identified the client and the intended user.
- Identified whether there were any other intended users. There were none.
- Identified the legal attributes of the subject property.
- Identified the definition of value and its source.

- Identified the date of valuation and the date of the report.
- Identified the real property interests appraised.
- Identified the use of the real estate as of the date of value and the use of the real estate reflected in the appraisal.
- Identified and analyzed whether any prior sales of the property occurred within three years of the date of value. There were none.
- Identified and supported an estimate of exposure time applicable to the property.
- Identified known encumbrances.
- Described sufficient information to disclose the scope of work used to develop the appraisal.
- Described the information analyzed.
- Summarized the appraisal methods and techniques employed.
- Described the improvements in a manner that is consistent with the observations of the review appraiser.
- Described and supported the appraisers' opinion of the highest and best use of the real estate.
- Analyzed land sale comparable data as are available to estimate land value conclusions.
- Analyzed discount rate data as are available to support value conclusions.
- Described the reasoning that supported the analyses, opinions and conclusions.
- Clearly and accurately disclosed all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.
- The content of the report is appropriate for the intended use of the appraisal.
- Completed a report that does not contain numerous and/or significant arithmetic errors that materially affect the analysis or conclusions.
- Included a signed certification that stated that the appraisers had no present or prospective interest in the property and completed the report in compliance with USPAP.

### **Comment on Value Conclusions**

Based on my review of the Curtis-Rosenthal, Inc. appraisal report and independently sourced comparable land sale data the Curtis-Rosenthal, Inc. appraisal report's \$8,720,000 market value conclusion of the leased fee interest as of March 13, 2024 is within a reasonable range of market value.

Armando Parra  
May 18, 2024  
Page 6

Based on my review of the Curtis-Rosenthal, Inc. appraisal report and independently sourced comparable land sale data the Curtis-Rosenthal, Inc. appraisal report's \$10,733,000 market value conclusion of the fee simple fee interest as of March 13, 2024 is within a reasonable range of market value.

The reader is referred to the attached Certification as well as the other attachments that are part of this report. I appreciate the opportunity to be of service to you in this review assignment. If you have any questions or comments concerning the attached report, or the work file, please do not hesitate to call.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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William Larsen, SR/WA  
CA Cert. #AG014297, exp. 12/05/25  
Phone: (818) 251-3647  
Email: [bill.larsen@cbre.com](mailto:bill.larsen@cbre.com)

## Certification of the Appraisal

I certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of California.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, William Larsen, SR/WA has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
10. William Larsen, SR/WA has not inspected the subject property.
11. No one provided significant real property appraisal assistance to the person signing this report.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. William Larsen, SR/WA previously completed a review of an appraisal of the subject property for the Department of General Services, City of Los Angeles. The date of the appraisal review was October 14, 2021. The effective date of value of the reviewed report was September 23, 2021. William Larsen, SR/WA has not provided any other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.



William Larsen, SR/WA  
Phone: (818) 251-3647  
Email: bill.larsen@cbre.com

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

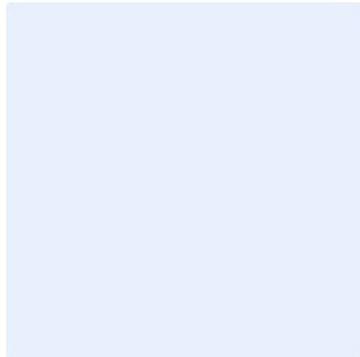
Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.

14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

**ADDENDUM**

## QUALIFICATIONS



VALUATION & ADVISORY SERVICES

# William Larsen, SR/WA

Vice President, Woodland Hills, CA

**T** +1 818 251 3647

**E** bill.larsen@cbre.com

## Pro Affiliations / Accreditations

- Licensed: California Certified General Real Estate Appraiser No. AG014297
- Registered: Environmental Assessor, 1996–2001, State of California Environmental Protection Agency
- IRWA Senior Right of Way Professional (SR/WA)
- Candidate: Appraisal Institute

## Education

- M.B.A., Finance, University of California, Los Angeles
- B.A., Liberal Arts, State University of New York, Albany
- Environmental Sciences Program, Department of Engineering, Environmental Sciences Division, University of California, Los Angeles Extension

## Professional Experience

William Larsen is a Vice President for CBRE's Valuation & Advisory Services (VAS). Mr. Larsen has been actively engaged in commercial real estate valuation since 1985. He has substantial experience completing appraisals and related valuation studies for use in eminent domain, assessment appeal, litigation, audit, purchase price allocation, and investment decisions. He has appraised all major property types and has completed appraisal assignments in over 15 states. Special studies have addressed complex land valuation issues, leasehold/leased fee allocations, analysis of historic properties, value diminution from seismic and/or environmental conditions, the valuation of billboards and their underlying ground leases, and the analysis of possessory interests.

Major right-of-way assignments have included acquisition appraisals for freeway widening, grade separation, utility system upgrade and expansion, and transit station development. These assignments have included the analysis of full fee takings and partial acquisitions. Partial acquisitions have included temporary construction easements and various types of permanent surface, subsurface and aerial easements. Valuations of partial acquisitions included consideration of severance damages and project benefits.

Mr. Larsen has participated in the portfolio valuations for corporate acquisition and loan loss reserve purposes, including an analysis done for a \$5.2 billion acquisition of a Los Angeles-based insurance company.

Mr. Larsen was a Director at Integra Realty Resources – Los Angeles from 2001-2023, and previously was a Director of Irvine-based Institutional Property Valuation, providing condemnation appraisal and litigation support services to a public agency clientele from 1995 to 2001. Mr. Larsen was with Farmers Insurance Group as a Real Estate Investment Manager and commercial property appraiser from 1987 to 1995. He is a Senior Right of Way Professional (SR/WA) with the International Right of Way Association (IRWA).

## Expert Testimony

Testified extensively on real estate valuation issues in depositions associated with cases scheduled to be heard in Los Angeles County Superior Court, United States District Court, Central District; and United State Bankruptcy Court, Central District.

## Professional Activities

- IRWA Chapter 1 Pipeline Committee Chair, Nominations & Awards Committee Chair 2023-2024, Valuation Committee Chair 2008-2021, Chapter 1 Board Member 2004–2024
- IRWA Annual Valuation Seminar Chair 2008-2014, 2017-2020; Co-Chair 2015-2016
- IRWA Chapter 1 President 2010, IRWA International Director 2009–2011, Chapter 1 Professional of the Year 2015
- IRWA Member of International Transportation Committee 2009-2024
- Speaker: *Acquisition Appraisal of Large Multi-Property Projects*, IRWA Chapter 1 Valuation Seminar
- Speaker: *Financial Criteria in Public Sector MSW Site Acquisition*, California State University, Fullerton, Department of Environmental Sciences
- Speaker: *Case Study: CERCLA Cost Recovery Action*, UCLA Department of Engineering, Environmental Sciences
- Speaker: *Historic Theaters*, Appraisal of Special Purpose Properties Seminar, Southern California Chapter of the Appraisal Institute

## Representative Appraisal Assignments

### *Ground Leases*

- Valuation for lease renewal of 14.03-acre site ground leased to Costco. 2751 Skypark Dr., Torrance.
- Valuation of 11.27-acre site ground leased to Costco. 12324 Hoxie Ave., Norwalk.
- Valuation of market rent of unimproved 9.05-acre site. 10900 Clovis Ave., Los Angeles.
- Valuation of ground rent of 9.08-acre parcel plus 0.68 acres of pipeline easement area. 2300 E. Pacific Coast Hwy., Wilmington.
- Valuation of ground rent of 13-acre oceanfront parcel. 850 Palisades Beach Rd., Santa Monica.
- Valuation of 0.67-acre asphalt-paved parcel serving as a portion of the parking lot and parking lot interior road area of 12-acre parking lot of Aliso Viejo Town Center. 26691 Aliso Creek Road, Aliso Viejo.

### *Land*

- Valuation of 1,417-acre parcel of undeveloped land with history of unsuccessful attempts to obtain tract map for 1,100+ lot residential subdivision, Malibu.
- Valuation of 664 acres of the 737-acre Potrero Creek Estates Specific Plan Area, Beaumont.
- Valuation of 3,200-acre master-planned parcel of land characterized by gently to steeply sloping topography, portion of Norton Younglove Reserve, Unincorporated Riverside County, east of the city of Moreno Valley.
- Valuation of 2,254-acre parcel including the Moreno Highlands Specific Plan area, Moreno Valley.
- Valuation of 1,664-acre parcel, SW/O Gilman Springs Rd., E/O Redlands Blvd., Moreno Valley.
- Valuation of 648-acre Aquabella Specific Plan Area, E/S Lasselle Street, N/O Cactus Avenue, Moreno Valley.
- Valuation of 173-acre parcel of undeveloped mountainous land zoned open space, Cozy Dell Property, Ojai.

### *Telecomm – Cell Tower*

- Appraisal of site improved with cell tower, Verdugo Peak, Los Angeles County.
- Basement telecomm plant in Grand Central Square, South Broadway, Downtown Los Angeles.
- Review of outside appraisal of site improved with radio transmitter tower, 1050 Montecito Drive, Los Angeles.
- Appraisal of site improved with cell tower, Merrill Ave., Fontana.
- Appraisal of closed radio station with pole-mounted radio antenna, Inland Center Drive, San Bernardino.
- Appraisal of site improved with cell tower, Howard Ave., Riverside.
- Appraisal of site improved with cell tower, Harvill Ave., Mead Valley, Riverside County.

## *School Sites*

- Valuation of 71 acres for proposed high school. N/S Eucalyptus Ave., W/O Redlands Blvd., Moreno Valley.
- Valuation of North Ridge Elementary School expansion site, 2.4-acre site, S/S Kalmia Ave., E/O Perris Blvd., Moreno Valley.
- Valuation of 25 acres for assemblage for proposed middle school. NWQ Baseline Ave. and Citrus Ave., Fontana.
- Valuation of 24 acres for assemblage for proposed middle school. NEQ Citrus Ave. and Three Mile Rd., Fontana.
- Valuation of 34 ownerships for assemblage for proposed middle school. SWQ Merrill Ave. & Catawba Ave., Fontana.
- Valuation of 23 acres for assemblage for proposed middle school. NEQ Foothill Blvd. & Hemlock Ave., Fontana.
- Valuation of 18 ownerships for assemblage for proposed Eastside Elementary School. NEQ 14<sup>th</sup> St. & Howard Ave., Riverside.
- Valuation of 5.8-acre former public school site for disposition by school district. NWQ 14<sup>th</sup> St. & Almond St., Riverside.
- Valuation of 21-acre school site for hypothetical redevelopment as a 79-lot single family subdivision. NWQ Canal St. & Meats Ave., Orange, CA.
- Valuation of 14-acre school site for hypothetical redevelopment as a 59-lot single family subdivision. NEQ Walnut Ave. & Rancho Santiago Blvd, Orange, CA.
- Valuation of 10.5-acre school site for hypothetical redevelopment as a 40-lot single family subdivision. S/O eastern terminus of Walnut Ave., E/O Rancho Santiago Blvd, Orange, CA.
- Valuation of 11-acre school site for hypothetical redevelopment as a 49-lot single family subdivision. NEQ Handy St. & Katella Ave., Orange, CA.

## *Subsurface Easements*

- Appraisal of subsurface easements and TCEs to be acquired from 5.57-acre site of proposed Regional Connector Transit Project. Easements would restrict proposed subsurface improvements of the project. Southeast quadrant Alameda Street and Temple Street, Los Angeles.
- Appraisal of long term temporary construction easement required for subsurface construction of subway extension. Northeast corner Canon Drive and Wilshire Boulevard, Beverly Hills.
- Appraisal of pipeline easements to be acquired from 24 parcels for public utility easement acquisitions in downtown Riverside. Interests appraised were permanent partial takings required for the replacement of 4,000-volt underground cables with higher capacity 12,000-volt systems.
- Appraisal of pipeline easements and temporary construction easements to be acquired from multiple residential properties in Tustin and one special use property owned by the City of Tustin.
- Appraisal of sewer easements and TCEs to be acquired from multiple industrial properties related to construction of new sewer lines. The footprint of the proposed sewer lines encompassed land anticipated to be dedicated for three new public streets. South side of State Highway 60, west of Redlands Boulevard, Moreno Valley.
- Appraisal of pipeline easements and TCEs to be acquired related to proposed groundwater desalter plant. Northeast side of Antonio Avenue, northeast of Somis Road, Unincorporated Ventura County, California.
- Appraisal of sewer easements and TCEs to be acquired from multiple residential properties related to construction of new sewer lines. Hemlock Avenue and Spruce Avenue locations, Moreno Valley.
- Appraisal of sewer easements to be acquired from multiple residential properties in Tustin related to extension of existing sewer lines by a water district.

## *Surface Easements*

- Appraisal of access easements over an area encumbered by pre-existing water, sewer and road easements, Larger Parcel contained 14.83 acres zoned M2 industrial. Located SW/S Ventura Avenue, N/O Canada Larga Road, Unincorporated Ventura County, in City of Ventura area of influence.
- Appraisal of utility easements for Gray Butte Mission Energy Project, 24 ownerships located in High Desert region of NW San Bernardino County and NE Los Angeles County.
- Appraisal of access easement and TCE from a parcel entitled for multifamily development. Easement was required for 405 Freeway improvements. Southeast corner Sepulveda Boulevard and Bronwood Avenue, Los Angeles.

## *Aerial Easements and Air Rights*

- Appraisal of air rights above 18 feet of two commercial-zoned parcels, for which a county agency will retain subsurface rights and surface rights to a height of 18 feet. 9385-9393 Wilshire Boulevard, Beverly Hills.
- Appraisal of aerial easement above a parcel improved with a multifamily development. Easement was required for 405 Freeway improvements. Northwest corner Sepulveda Boulevard and Bronwood Avenue, Los Angeles.
- Appraisal of aerial easement over an active railroad line. Lincoln Heights, CA.
- Appraisal of air rights above 30 feet - Wilshire-Rodeo Subway Station is proposed to be constructed below 30-foot height. Southwest corner Wilshire Boulevard and Reeves Drive, Beverly Hills.

## *Expo Rail & Regional Connector Projects*

- Project Manager in valuation of acquisition parcels for LACMTA Purple Line in Beverly Hills and Century City.
- Project Manager in valuation of acquisition parcels for Expo Rail transit station sites located in Los Angeles, West Los Angeles, and Santa Monica.
- Project Manager in valuation of acquisition parcels for LACMTA Regional Connector Transit Project, Downtown Los Angeles; and Crenshaw/LAX Transit Corridor Project sites located in Los Angeles and Westchester.

## *Grade Separations*

- Project Manager in valuation of 52 acquisition parcels for Valley Boulevard Grade Separation Project, Los Angeles. Appraisals included six fee simple and 46 partial takings. Properties subject to partial takings included an active railroad corridor and industrial, retail, and residential properties.
- Project Manager in valuation of ten acquisition parcels for South Milliken Avenue Grade Separation Project, Ontario. Interests appraised included full and partial takings. Subject properties included distribution warehouses and a recycling and trucking yard.

## *Multi-Property Eminent Domain*

- Project Manager in valuation for eminent domain acquisition of 147 ownerships in a residential condominium complex, Rialto.

## *Freeway Widening*

- Project Manager in valuation of multiple excess land parcels resulting from widening of Santa Ana Freeway (Interstate 5) in Buena Park.
- Project Manager in valuation of multiple acquisition parcels for widening of San Diego Freeway (Interstate 405) in Brentwood, Los Angeles County. Interests appraised included permanent partial takings and aerial, footing, and temporary construction easements. Properties subject to takings included a hotel, office building, industrial building, special purpose property, multi-family residential building, and entitled multi-family residential development site.

## *Special Purpose Properties Including Public Parks*

- Valuation of partial interests to be taken in eminent domain for stormwater filtration system improvements: Penmar Park/Golf Course, Venice, 57 acres.
- Valuation of partial interests to be taken in eminent domain for stormwater filtration system improvements: Temescal Canyon Park, Pacific Palisades, 38 acres.
- Valuation for acquisition of partial taking for expansion of adjacent school: Ponderosa Park, Anaheim, 9 acres.
- Valuation for acquisition of full taking for expansion of adjacent high school: Westbluff Park, Moreno Valley, 5 acres.
- Valuation of four sites improved with closed public schools: Palmview Elementary School Site, Ruddock Elementary School Site, Charter Oak Elementary School Site, and Banna Elementary School Site; Covina, total 40 acres.

## *Large Single Tenant Distribution Warehouses*

- Appraisal of distribution warehouses including Skechers operations center located at 29800 Eucalyptus Avenue, Moreno Valley (1,837,272 square feet of rentable area on 85-acre site).
- Valuation of distribution warehouse, 13135 Napa Street, Fontana (830,000 square feet of rentable area).

- Valuation of 3100 South Milliken Avenue, Eastvale (759,260 square feet), and 4100 East Mission Boulevard, Ontario (760,158 square feet).

## *Office*

- Valuation of three-story, 27,000-square foot office building, 3380 14<sup>th</sup> Street, Riverside.
- Valuation of four-story, 98,835-square foot office building, 765 The City South, Orange, CA.
- Valuation of Orangewood Office Center, three three-story office buildings containing a total of 108,750 square feet on a ground-leased site. 1835-1915 West Orangewood Avenue, Orange, CA.
- Valuation in litigation of office park containing 327,000 square feet of leasable area on a 14-acre site – Corporate Center at Malibu Canyon/Malibu Canyon Business Park, Calabasas.
- Valuation of 315,000-square-foot mixed-use property including a high-rise office building, five-story parking structure, multiplex theater, large box retail units and in-line retail space at the southwest corner of Beach Boulevard and Warner Avenue, Huntington Beach.
- Two-story office building, 306 W. 3<sup>rd</sup> Street, Downtown Los Angeles.
- Three-story office building, 1950 Century Park East, Century City (Los Angeles 90067).

## *Mitigation/Environmental*

- Valuation of partial interests to be taken from 16 industrial properties, Los Angeles River Ecosystem Restoration Project.
- Valuation of non-contiguous parcels, containing a total of 12 acres, encumbered by a streambed alteration agreement. Parcels were intended for transfer to meet mitigation requirements, client was a resource conservation district.

## *Slope Failure, Seismic Issues*

- Valuation in litigation of estate property on 3.2-acre lot impacted by slope failure as a result of neighbor's non-permitted grading of slope adjacent to plaintiff's property, San Juan Capistrano.
- Valuation in litigation of residential property impacted by slope failure as a result of leakage from neighbor's outdoor fountain, Brentwood.
- Valuation in litigation of 7.4-acre residential-zoned parcel allegedly impacted by slope failure as a result of third party's deposit of 10,000 cubic yards of fill along an access road above plaintiff's property, San Clemente.
- Valuation of 1,417-acre parcel of undeveloped sloping land with history of unsuccessful attempts to obtain tract map for 1,100+ lot residential subdivision, Malibu. Failure to obtain a tract map was related to anticipation that water flow associated with future installation of subsurface irrigation system to serve proposed homes would destabilize hillsides.
- Valuation of 1.21-acre parcel subsequent to landslide and demolition of structural improvements, 412-418 N. Paseo Miramar, Pacific Palisades.
- Valuation of six residential lots subsequent to landslide, Tarzana.
- Valuation of parcels subject to temporary construction easements acquired in the seismic retrofit of the historic Victoria Avenue Bridge, Riverside.

## *Construction Defect, Construction Work Stoppage*

- Valuation in construction defect litigation - residential property, Palos Verdes.
- Valuation of a community shopping center in litigation associated with construction work stoppage. Property was preleased to 80+ tenant leases and contained 410,000 square feet of leasable area on a 49-acre site – Murrieta Towne Center, Murrieta.

## *Mixed-Use and Special Use Properties*

- Valuation of 315,000-square-foot mixed-use property including a high-rise office building, five-story parking structure, multiplex theater, large box retail units and in-line retail space at the southwest corner of Beach Boulevard and Warner Avenue, Huntington Beach.
- Valuation of Grand Central Square. Property included Grand Central Market, Million Dollar Theater (2,024 seats), six-story parking garage, two-story office building, storefront retail units, 121 multi-family units, and basement telecomm plant. South Broadway, Downtown Los Angeles.

## *Hospitality Industry*

- Appraisal of four motels and two retail properties for acquisition by City of Garden Grove. Subsequent to the client's acquisition of the properties, Mr. Larsen appraised the cleared and assembled site, which was intended for construction of three high-rise hotels – Harbor Boulevard hospitality corridor, Orange County.
- Appraisal of motel, Malibu.

## *Auto Dealerships*

- Valuation of Camino Real Chevrolet Dealership, improved with 44,200 square feet of building area on 3.63-acre site, Monterey Park.
- Valuation of El Monte Shopping Center including Longo Toyota dealership, Interstate 10, El Monte.
- Valuation of Center Acura dealership, Van Nuys Blvd., Sherman Oaks.

## *Agricultural*

- Appraisal of the leased fee interest in 24 acres of irrigated row crop land, 3800 Brennan Road, Unincorporated Ventura County, south of city of Moorpark, east of community of Somis.
- Appraisal of vineyard, 302-acre Anderson Ranch, NEQ State Hwy. 60 and Theodore Street, Unincorporated Riverside County, east of Moreno Valley, CA.

## *Churches, Religious Facilities*

- Appraisal of Hope Lutheran Church, 2882 Arlington Ave., Riverside.
- Appraisal of Iglesia de Dios Pena de Horeb, 4398 Park Ave., Riverside.
- Appraisal of church, Highland Park, Los Angeles County.

## *Maritime & Waterfront*

- Valuation for lease negotiation purposes of land to be leased by the State of California and City of Santa Monica to a private beach club. The land is located seaward of the mean high tide line in Santa Monica. Lessor's and lessee's sought after rent renewal rates were influenced by the parties' different positions taken related to the significant movement of the high tide line since the original lease was executed.
- Litigation valuation of diminution in value of waterfront property due to subsurface deteriorated seawall. Huntington Harbor, Huntington Beach.
- Valuation of market rent of ocean acreage for industrial use and ocean acreage for commercial use, Port of Los Angeles, San Pedro.
- Appraisal of commercial and industrial properties located within proximity to Port of Los Angeles to establish the market rate of return to be used as a basis to establish the rentals to be paid by tenants entering into leases at the Port of Los Angeles.
- Valuation of 23-acre dry lake bed, Lake Los Angeles, CA.
- Valuation of 150,000 square foot industrial building, Mercer Island, Washington.

## **Courses Completed**

Mr. Larsen has successfully completed the following Appraisal Institute and IRWA courses and/or exams:

- Right of Way Acquisition for Pipeline Projects (IRWA)
- Condemnation Appraising: Advanced Topics and Applications (Appraisal Institute)
- Uniform Standards of Federal Land Acquisition/Yellow Book (Appraisal Institute)
- The Appraisal of Partial Acquisitions (IRWA)
- Problems in the Valuation of Partial Acquisitions (IRWA)
- Easement Valuation (IRWA)
- Legal Aspects of Easements (IRWA)

- Reviewing Appraisals in Eminent Domain (IRWA)
- Eminent Domain Law Basics (IRWA)
- MAI Comprehensive Examination (Appraisal Institute)
- Principles of Land Acquisition (IRWA)
- Principles of Real Estate Engineering (IRWA)
- Engineering Plan Development and Application (IRWA)
- Highest and Best Use and Market Analysis (Appraisal Institute)
- Advanced Sales Comparison and Cost Approaches (Appraisal Institute)
- Appraising from Blueprints and Specifications (Appraisal Institute)
- Real Estate Appraisal Principles (Appraisal Institute)
- Basic Valuation Procedures (Appraisal Institute)
- Capitalization Theory and Techniques, Parts A & B (Appraisal Institute)
- Case Studies in Real Estate Valuation (Appraisal Institute)
- Report Writing and Valuation Analysis (Appraisal Institute)
- Standards of Professional Practice, Parts A, B & C (Appraisal Institute)
- Federal and State Laws and Regulations (Appraisal Institute)

He has attended the following seminars and workshops:

- Wireless and Right of Way (IRWA)
- Valuation Issues in Eminent Domain in the Current Market (Appraisal Institute)
- ABC's of Direct and Inverse Condemnation (Appraisal Institute)
- Eminent Domain Year in Review (Appraisal Institute)
- Appraisal of Entitled and Unentitled Land (Appraisal Institute)
- Contemporary Approaches to Land Valuation (Appraisal Institute)
- Environmental Issues in Land Valuation (Appraisal Institute)
- Legislative and Judicial Update (Joint IRWA/Appraisal Institute)
- Surveying 101, Parts 1 and 2 (IRWA)
- Reviewing Surveys and Descriptions (IRWA)
- Annual Valuation Seminar, Chair and Moderator, (IRWA, 2003-2020)
- Uniform Standards of Professional Appraisal Practice Update
- Litigation Seminar (Appraisal Institute)
- Appraising Special Purpose Properties (Appraisal Institute)
- Impact of Detrimental Conditions (Appraisal Institute)
- Transportation Innovations in Southern California (Appraisal Institute)

# EXHIBIT X

**ORDINANCE NO. \_\_\_\_\_**

An Ordinance authorizing and providing for the sale of certain City-owned real property that is no longer required for the use by the City, without notice of sale or advertisement for bids, to KEDREN COMMUNITY HEALTH, INC. (“Kedren”) for ZERO DOLLARS (\$0.00).

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. The Council of the City of Los Angeles hereby finds and determines that public interest requires a sale, without notice of sale or advertisement for bids, to Kedren of that certain real property owned by the City of Los Angeles and located at the address and/or location set forth hereinafter (“Property”). Kedren intends to construct the Kedren Children’s Village on the Property to provide much-needed mental health services to children in the County of Los Angeles (“Project”). Kedren will be a third-party intermediary, and the Property will be dedicated for use by the County of Los Angeles for patients served by the Los Angeles County Department of Mental Health. A deed restriction shall be recorded against the Property in order to ensure the Property will continue to benefit the community through its use as a mental health services facility for children in the County of Los Angeles.

Section 2. The Council of the City of Los Angeles, hereby approves the conveyance of the Property to Kedren for the construction of the Project at a cost of zero dollars (\$0.00) and finds that: (1) the City sales agreement for the Property has conditions requiring a public benefit be provided, which will be recorded in a covenant on the land; (2) the sale of the Property will assist the City with its goal of providing mental health services for children.

|                                  |  |
|----------------------------------|--|
| <b><u>Location:</u></b>          | <b>710 East 111<sup>th</sup> Place<br/>Los Angeles, CA 90059</b> |
| <b><u>APN:</u></b>               | <b>6071-022-902</b>  |
| <b><u>Legal Description:</u></b> | <b>See Exhibit “A”</b>   |

EXCEPTING AND RESERVING unto the City of Los Angeles all oil, gas, water, and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

SUBJECT TO covenants, conditions, restrictions, reservations, easements, encroachments, rights, and rights-of-way of record or which are apparent from a visual inspection of the real properties and excepting and reserving to the City of Los Angeles any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the above described parcels of land.

ALSO SUBJECT to sale in “As Is and with all faults” condition, the purchaser purchasing the City owned property, by such act, expressly agreeing to purchase the property in an “As Is and with all faults” condition and without any warranty as to fitness for use, fitness for a particular use or development, or condition of the property, and that the City has no obligation to improve or correct any condition of the property, whether known or unknown before or after the date of the sale, including, without limitations, the condition of the property as its potential use or future development.

Sec. 3. The General Manager of the Department of General Services, in the name of, and on behalf of, the City is hereby authorized and directed to execute a Grant Deed to the City Property described in Section 2 of this ordinance to Kedren (or its nominees or lawful successors in interest), and the City Clerk of the City is hereby authorized and directed to attest thereto and affix the City Seal.

Sec. 4. The Department of General Services, Real Estate Services Division, is hereby authorized to open escrow, execute and deliver deeds and ancillary documents, and complete all necessary processes to effect this sale of the City Property to Kedren. As the City sales agreement will require Kedren to pay all escrow, title insurance and other closing related costs, there is no need to designate a City Fund or Activity Code to pay such expenses.

Sec. 5. This ordinance shall be operative upon its publication pursuant to Section 252(j) of the Los Angeles City Charter.

Sec. 6. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By \_\_\_\_\_  
LINDSEY ZWICKER  
Deputy City Attorney

Date \_\_\_\_\_

File No. \_\_\_\_\_

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

\_\_\_\_\_

\_\_\_\_\_

Ordinance Passed \_\_\_\_\_

Approved \_\_\_\_\_

# EXHIBIT XI

# Kedren Children's Village Community Contributions Summary

September 2024

- **Kedren Children's Village Community Contributions**

# Kedren Children's Village Community Contributions

Expected to launch in 2027, the Kedren Children's Village will provide an array of services to meet the needs of Los Angeles children and youth, contributing an estimated value of \$54.6M annually to the community.

|  |   |
|--|---|
| <b>Mental Health Services</b><br><i>(Reimbursed expense)</i> | <b>Kedren is projected to deliver \$46.6M in mental health services annually, including:</b> <ul style="list-style-type: none"><li>• <b>\$25.2M</b> in outpatient mental health services to 6,000 patients</li><li>• <b>\$11.7M</b> in inpatient psych services to 384 patients</li><li>• <b>\$5.2M</b> in subacute/ crisis residential services to 300 patients</li><li>• <b>\$4.5M</b> in crisis stabilization services to 4,380 patients</li></ul> |
| <b>Reduction / Prevention of Youth Incarceration</b>         | <b>By providing key mental health services to youth at-risk for incarceration, Kedren will help save approximately \$6.8M in incarceration costs annually.</b>  |

*See appendix for detailed calculations of contributions.*

# Kedren Children's Village Community Contributions, *cont.*

The Kedren Children's Village will also add value to the LA city community through its partnerships with local community-based organizations (CBOs) and its residential and athletic facilities.

|  |  |
|--|--|
| <b>Funds to CBOs</b>   | <b>Kedren will provide funds to local CBOs, such as churches, homeless shelters, and neighborhood organizations, to conduct outreach and refer individuals in need of specialty mental health services, at an annual cost of \$426K.</b> |
| <b>Below-Market Housing for Families Facing Homelessness</b> | <b>Kedren will provide 24 transitional housing units at below-market rate for families experiencing homelessness at an estimated annual cost of \$650K.</b>  |
| <b>Public Access to Athletic Facilities</b>                  | <b>Kedren will open its gym for free to the general community after-hours and on weekends, providing an estimated annual value of \$134,400.</b>   |

*See appendix for detailed calculations of contributions.*

# Appendix

# Cost of Mental Health Services

**Kedren is projected to deliver \$46.6M in inpatient, crisis, and outpatient mental health services to LA County residents.**

|   | Inpatient Psych                   | Crisis Stabilization                  | Subacute/ Crisis Residential | Outpatient Mental Health              | Total          |
|---|-----------------------------------|---------------------------------------|------------------------------|---------------------------------------|----------------|
| <b>Projected Annual Capacity</b>  | 24 beds                           | 12 chairs                             | 16 beds                      | 47,000 visits                         |                |
| <b>Projected Number of Clients Served Annually</b>                                  | 384                               | 4,380                                 | 300                          | 6,000                                 | 11,064         |
| <b>Projected Rates (FY2027-2028)</b>  | \$1,342.88<br><i>(daily rate)</i> | \$1,025.14<br><i>(per chair/ day)</i> | \$893<br><i>(daily rate)</i> | \$4,200<br><i>(per patient/ year)</i> |                |
| <b>Est. Annual Cost of Care (Projected annual service capacity days*daily rate)</b> | <b>\$11.7M</b>                    | <b>\$4.5M</b>                         | <b>\$5.2M</b>                | <b>\$25.2M</b>                        | <b>\$46.6M</b> |

Source: Estimated FY2027-28 rates are based on the [Medi-Cal Behavioral Health Fee Schedules](#)

# Funds for Local Community Based Organizations

**Kedren Children’s Village will provide \$425K annually to local CBOs to conduct outreach and refer individuals in need of specialty mental health services.**

| <b>Kedren Children’s Village Projected Budget</b>  |                                |
|--|--------------------------------|
| <b>EXPENDITURES: SERVICES</b>  | <b>PROJECTED ANNUAL BUDGET</b> |
| Personnel  | \$ 16,801,822                  |
| Operating Costs  | \$ 3,223,969                   |
| <b>Community Based Organizations</b><br>(funds to local community-based organizations, such as churches, homeless shelters, and neighborhood organizations, to conduct outreach and refer individuals in need of specialty mental health services) | \$ 425,625                     |
| Indirect Costs   | \$ 3,109,085                   |
| <b>Services Total</b>  | <b>\$ 23,560,501</b>           |

*While the Kedren Children’s Village is not launching until 2027, intensive care management services, budgeted between \$2-3.5M, will be provided in FY204-2025 to new youth patients at the Kedren North facility.*

# Preventing Incarceration of At-Risk Youth

**By delivering mental health services to youths at-risk of incarceration, the Kedren Children’s Village can help prevent or reduce incarceration, leading to an estimated annual reduction of up to \$6.8M in spending on incarceration.**

|  | LA County Juvenile Halls | LA County Juvenile Camps |
|--|--------------------------|--------------------------|
| Average Daily Cost Per Incarcerated Youth (FY2017-2018)  | \$983                    | \$1,222                  |
| Average Daily Population in LA County Juvenile Facilities (FY2017-2018)  | 691.3                    | 392                      |
| Average Annualized Cost Per Youth (FY2017-2018)<br><i>(average daily cost multiplied by 365)</i>                                       | \$358,795                | \$446,030                |
| Average Daily Population in LA County Juvenile Facilities (2023)   | 308.3                    | 134.1                    |
| Average Annualized Cost Per Incarcerated Youth in 2023<br><i>(average 2017-2018 annual cost, adjusted for inflation)</i>               | \$457,529                | \$568,769                |
| Estimated Total Expenses in 2023<br><i>(average annual cost multiplied by average 2023 daily population)</i>                           | \$141,056,070            | \$76,271,927             |
| Total Annual Cost For Incarcerated Youth With Behavioral Health Needs<br><i>(estimated total 2023 expenses multiplied by 62.5%*)</i>   | \$88,160,044             | \$47,669,954             |
| Total Annual Cost Reduction Based on Kedren Services Diverting 5%<br>These Youth<br><i>(annual cost for BH needs multiplied by 5%)</i> | \$4,408,002              | \$2,383,498              |

\*Average of estimates showing that approximately 50 to 75 percent of youth encountering the juvenile justice system meet criteria for a mental health disorder.

Source: [Board of State and Community Corrections Juvenile Detention Profile Survey](#); [Average Daily Cost to House Youth in Detention Facilities](#); [Research on Youth Incarceration](#); [Out of Sight, Out of Mind: How California’s Education Data & Accountability Systems Fail Youth in Juvenile Court Schools](#); [Mental Illness and Juvenile Offenders](#); [Bureau of Labor Statistics CPI Inflation Calculator](#)

# Onsite Residential Units

**Kedren's 24 transitional housing for clients with mental health needs will provide an annual estimated value of \$650K to the community.**

| Service   | Expected Total   |
|---|------------------|
| Annual Unit Fee<br><i>(24 studio units, \$1K monthly use fee)</i>   | \$288,000        |
| Annual Rental Cost Difference<br><i>(Average market rent of studio in zip code - \$1k monthly use fee: \$1,390-\$1,000 = \$390)</i> | \$112,320        |
| Additional Annual Costs [not passed along to residents] (resident advisors' salaries, benefits and utilities)                       | \$250,000        |
| <b>TOTAL</b>  | <b>\$650,320</b> |

# Additional Community Benefits

The Kedren Children’s Village gym will be open to the general public after hours and on weekends, contributing an estimated \$134,400 annually to community members.

| Service  | Expected Total   |
|--|------------------|
| 2,800 sq ft multi-purpose room estimated daily rental value        | \$2,800          |
| 48 weekend days/ year available for full use by the general public | 48               |
| <b>Total Annual Value</b>  | <b>\$134,400</b> |

# EXHIBIT XII

Los Angeles County Department of Mental Health  
and  
Kedren Community Health Center INC.

***CHILDREN'S COMMUNITY CARE VILLAGE***

CALIFORNIA MHSA INNOVATION  
PROJECT APPLICATION 2023

To providing a one-stop holistic and integrated health, mental health and housing services centered around the child and family in one location, to improve mental health outcomes for children.

**The LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH  
MENTAL HEALTH SERVICES ACT ADMINISTRATION**

| <b>COMPLETE APPLICATION CHECKLIST</b>   |                       |
|---|-----------------------|
| <p>Innovation (INN) Project Application Packets submitted for approval by the MHSOAC should include the following prior to being scheduled before the Commission:</p>   |                       |
| <p><input type="checkbox"/> Final INN Project Plan with any relevant supplemental documents and examples: program flow-chart or logic model. Budget should be consistent with what has (or will be) presented to the Board of Supervisors.<br/><i>(Refer to CCR Title9, Sections 3910-3935 for Innovation Regulations and Requirements)</i></p> |                       |
| <p>X Local Mental Health Board Approval Date: February 20, 2023</p>   |                       |
| <p>X Completed 30-day public comment period<br/>Comment Period: January 20, 2023 through February 20, 2023</p>  |                       |
| <p><input type="checkbox"/> BOS approval date</p>   | <p>Approval Date:</p> |
| <p>If County has not presented before BOS, please indicate date when presentation to BOS will be scheduled: January 23, 2024.</p>   |                       |
| <p><i>Note: For those Counties that require INN approval from MHSOAC prior to their county's BOS approval, the MHSOAC may issue contingency approvals for INN projects pending BOS approval on a case-by-case basis.</i></p>  |                       |
| <p>Desired Presentation Date for Commission: November 16, 2023</p>  |                       |
| <p><b><i>Note: Date requested above is not guaranteed until MHSOAC staff verifies <u>all requirements</u> have been met.</i></b></p>  |                       |

County name: **Los Angeles County**

Date submitted: **November 16, 2023**

Project Title: **Children's Community Care Village (CCCV)**

Total amount requested: **\$100,594,450**

Duration of project: **5 Years**

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**Section 1:**

**INNOVATION REGULATORY REQUIREMENT CATEGORIES**

### **CHOOSE A GENERAL REQUIREMENT:**

An Innovative Project must be defined by one of the following general criteria.

The proposed project:

- Introduces a new practice or approach to the overall mental health system, including, but not limited to, prevention and early intervention.
- Makes a change to an existing practice in the field of mental health, including but not limited to, application to a different population.
- Applies a promising community driven practice or approach that has been successful in a non-mental health context or setting to the mental health system.
- Supports participation in a housing program designed to stabilize a person's living situation while also providing supportive services onsite.

### **CHOOSE A PRIMARY PURPOSE:**

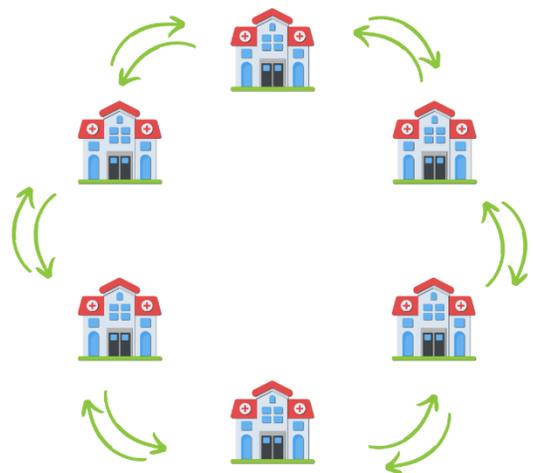
An Innovative Project must have a primary purpose that is developed and evaluated in relation to the chosen general requirement. The proposed project:

- Increases access to mental health services to underserved groups.
- Increases the quality of mental health services, including measured outcomes.
- Promotes interagency and community collaboration related to mental health services or support or outcomes.
- Increase access to mental health services, including but not limited to services provided through permanent supportive housing.

## PRIMARY PURPOSE

The purpose of this Innovative Project is to create a new mental health continuum of care for children that includes interim family housing in a single location to assess if this unique children's care village model will:

1. Increase options and coordination to appropriate levels of mental health care for children and youth in Los Angeles County's Service Area 6 (SA 6) and surrounding communities, resulting in better outcomes.
2. Promote community and interagency collaboration by focusing on the overall wellbeing of the family unit, as opposed to a specific condition.
3. Decrease emergency department usage and inpatient hospitalization for these children and youth.
4. Increase stabilization for families in crisis, thereby stemming the pipeline into the foster care system.
5. Decrease housing insecurities faced by families experiencing homelessness or at risk of becoming homeless.
6. Increase access and improved follow up to care by eliminating barriers to transportation.



**Section 2:**  
**PROJECT OVERVIEW**

## PRIMARY PROBLEM

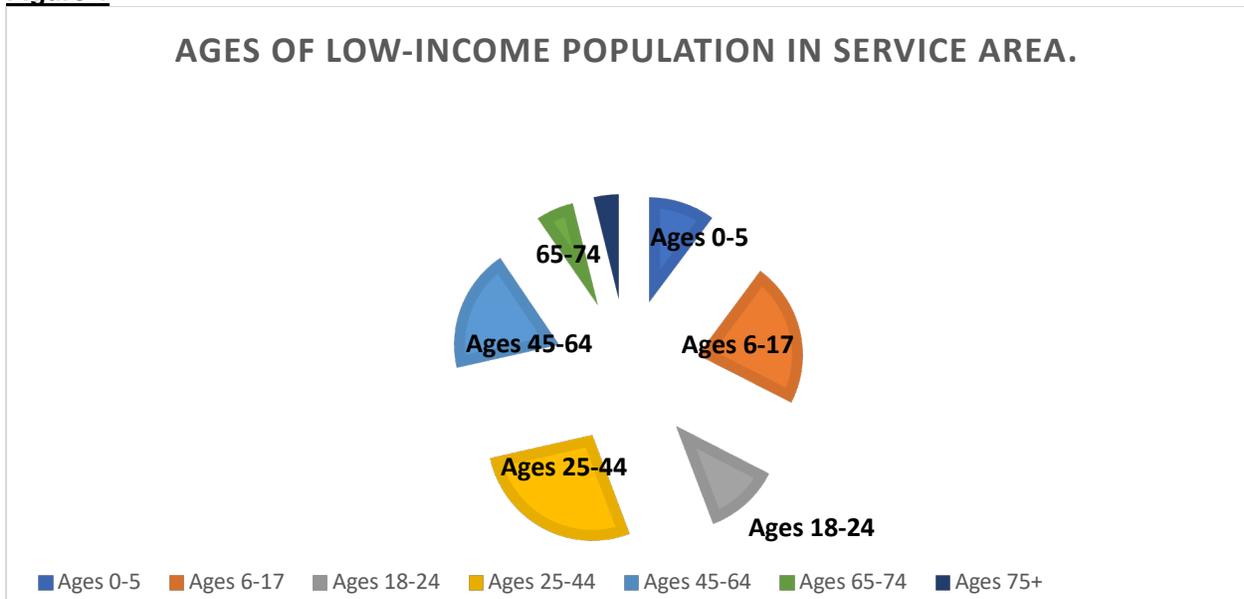
According to the US Census Bureau’s 2020 Count, there are nearly one million children 5 to 12 years of age who reside in Los Angeles County. Prior to the COVID-19 pandemic, mental health disorders were the major causes of morbidity and poor health outcomes for children, resulting in issues with overall healthy development. In 2021, the Office of the Surgeon General released a report entitled Advisory on Protecting Youth Mental Health. It provided details about the mental health crises children and youth were facing prior to the pandemic and listed factors that exacerbated their conditions during and post-pandemic. These include inadequate access to health care and social services, and increased household stressors of income loss, and housing stability.

Service Area 6 (SA 6) is one of Los Angeles County’s eight Service Areas (SA). It covers over 51 square miles and includes 25 neighborhoods within the city of Los Angeles and three unincorporated districts. It is home to an estimated 1,056,870 residents. At 88 percent, SA 6 is ranked highest of all SAs in Los Angeles County on the Centers for Disease Control and Prevention/Agency for Toxic Substance and Disease Registry (CDC/ATSDR) Social Vulnerability Index (SVI), which tracks 16 social factors that helps government officials meet the needs of vulnerable populations. These factors include socioeconomic status, housing insecurities and lack of transportation resources.

### **Socioeconomic Status**

South Los Angeles, a culturally rich and diverse area, is an area with one of the largest concentrations of poverty in the United States at a rate that is more than twice the state and national averages. More than one-half (52.7%) of residents in SA 6 live at or below

**Figure 1**



Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates, Table B08101.

200% Federal Poverty Guideline (FPG), and experience both housing and transportation insecurities which result in significant barriers to accessing mental health and health care. According to survey data from a 2017 report issued by LA County Department of Public Health, 41.6% of adults did not finish high school in SA 6, which is the highest percentage across all County Service Areas. Only 8.6% have a four-year or graduate college degree. Among SA 6 households 33.6% experience poverty, nearly double that of LA County and most of the other service areas. Additionally, more than half of the SA 6 households have children. Figure 1 shows the breakdown of poverty in SA 6 by age group.

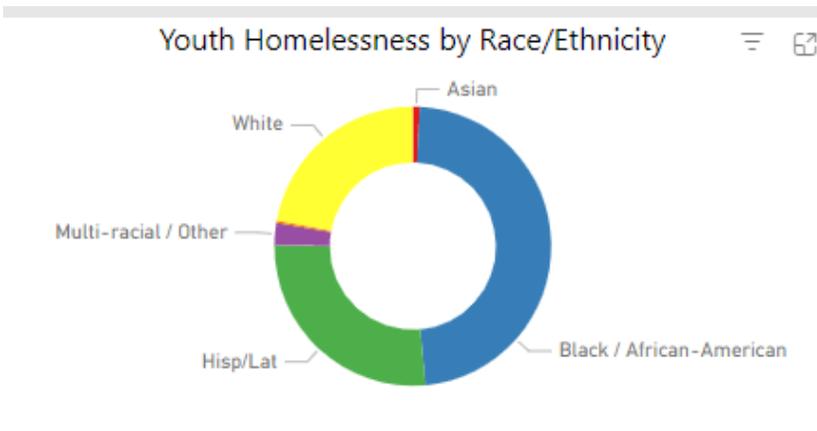
These examples of socio-economic disparity and poverty contribute to the poor mental health of parents and children throughout the SA.

**Housing Insecurities/Homelessness**

Housing challenges have resulted in increased homelessness across the service area. Reliable, consistent counts for this population are challenging because homeless counts are independent for each county and each year. Timing as well as strategies for finding, counting, and surveying people found living on streets and in parks and shelters vary across counties.

Homeless count methods vary slightly from year to year, although the increasing volume of homelessness according to the annual counts and the increasing visibility of

**Figure 2**



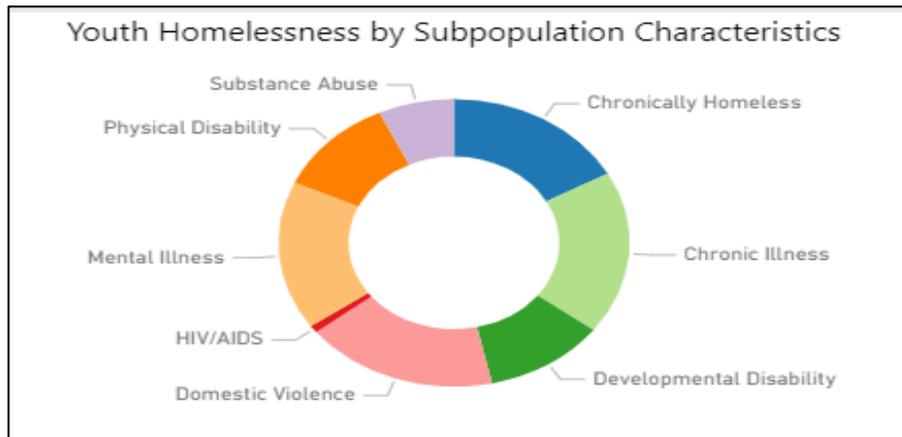
homelessness throughout the area is testimony to this worsening situation.

The Los Angeles Homeless Services Authority (LAHSA) reports that in SA 6 there were 14,598 individuals experiencing homelessness according to the January 2022 point in time count, including 26 unaccompanied minors and 364 transitional

head of household 24 years of age or younger. Figure 2, above, shows youth homelessness by race and ethnicity. Black/African Americans and Hispanic/Latinos represent the majority. LAHSA’s 2022 homeless count for SA 6 identified nearly 546 children and eight youth experiencing homelessness and with mental illness. For these youth and their families, navigating mental health service providers and programs, meeting eligibility requirements for treatment or placement, and having their care needs addressed across multiple programs, specialists, and locations is a barrier to care. These figures include 307 females, 235 males and four (4) who identify as transgender.

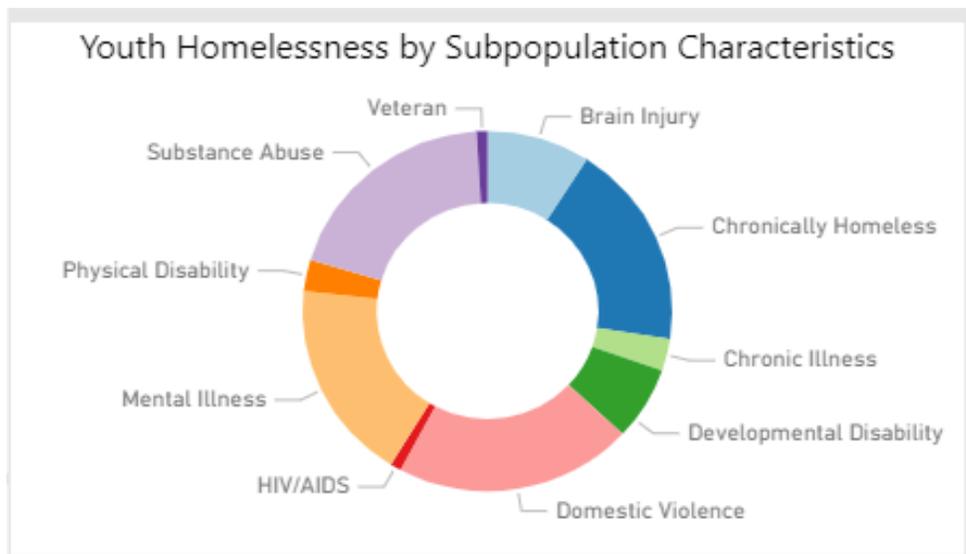
**Figure 3**

**2022 SHELTERED YOUTH SA 6<sup>1</sup>**



**Figure 4**

**2022 UNSHELTERED YOUTH SA 6<sup>2</sup>**



To further illustrate the extent of the problem faced by homeless youth, LAHSA collected subpopulation characteristics in 2022 for these youth, identifying cases of substance abuse (66), mental illness (98), chronic illness (72) or HIV/Aids (5), brain injury (19),

<sup>1</sup> <https://www.lahsa.org/data?id=35-youth-count-by-service-planning-area-spa->

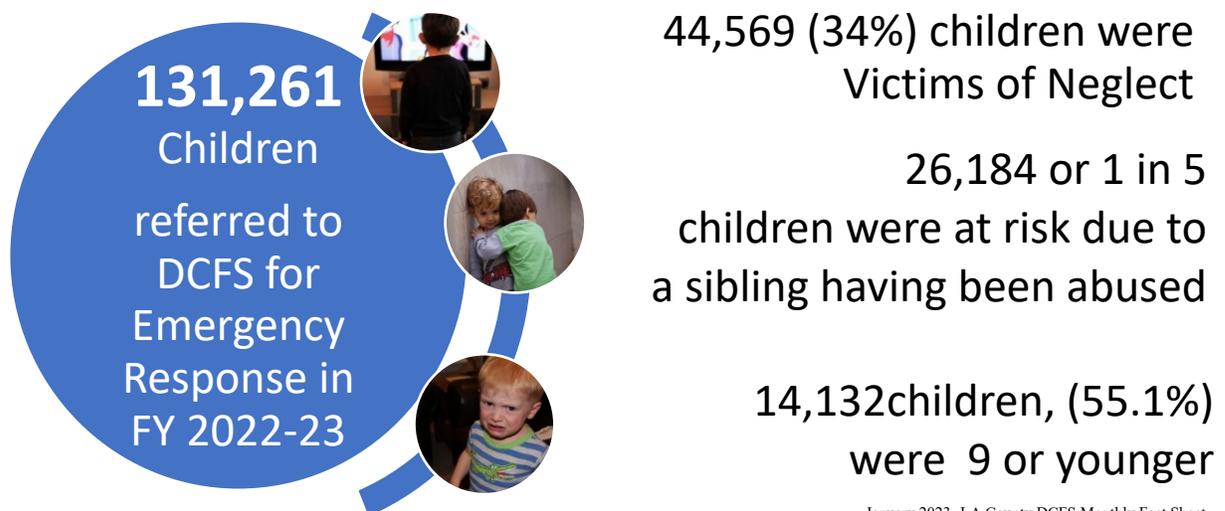
<sup>2</sup> <https://www.lahsa.org/data?id=35-youth-count-by-service-planning-area-spa->

developmental disabilities (54), victims of domestic violence (108), veterans (2) and chronic homelessness (100).

Furthermore, when the data is separated by sheltered and unsheltered as illustrated in Figures 3 and 4, the differences illustrate the service needs and gaps affecting this population, and especially pertaining to substance use and chronic illnesses.

### Children in Households:

Children reside and are cared for in a variety of household structures, with various related family members. According to data calculated from the 2020 California Health Interview Survey, only 54.8% reside in a household with an independent married couple/domestic partnership with at least one parent. More than 20% live with a single parent, 14.4% with grandparent(s), and 7.4% with some other relative and 60,955 (1.6%) children in the service area do not live with their families, living instead with non-relatives, in foster care, group homes or are homeless. Significantly, 45.2% have a living situation that has been linked to a higher probability of having experienced adverse childhood experiences (ACEs).



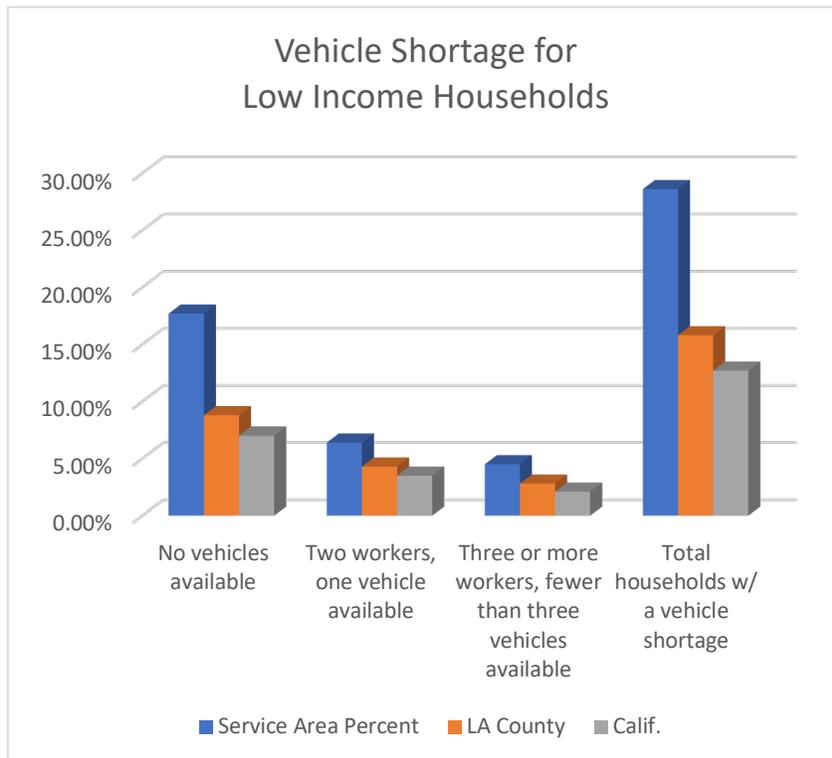
January 2023- LA County DCFS Monthly Fact Sheet

According to the LA County Department of Children and Family Services' (DCFS) Fact Sheet, across LA County, 131,261 children were referred for emergency response with one-third (34%) alleged to be victims of general neglect from July of 2022 through June of 2023. One in five (19.9%) were considered at-risk with a sibling having been abused. Sadly, 16.3% had allegations of physical abuse and 17.1%, emotional abuse. Of the children requiring DCFS involvement, more than one-half were nine years of age and younger - birth to two, 18.2%; three to four, 12.2%; and five to nine, 24.7%. For this

period, 60.5% of children were Hispanic, 23.9% Black, and 10.6% White. During this period, 14,269 children were in out of home placement<sup>3</sup>.

## Transportation Barriers in SA 6

**Figure 5**



For the residents in SA 6, transportation barriers present a significant challenge to accessing care and services. Notably, according to the American Community Survey<sup>4</sup> five-year average, 17.7% of households have no vehicle, and more than one-quarter (28.6%) have a vehicle shortage, where there are fewer vehicles than employed persons in the household. Families are thus challenged in traveling for employment as well as medical appointments. This is also true for family members who do not work and are without private transportation to get to

medical appointments or to take children to appointments. As shown in the graph, the percentage of service area residents who report having no vehicle and those with a vehicle shortage, as well as the percentage of residents countywide, statewide, and nationwide without vehicles or with vehicle shortages. As demonstrated in Figure 5, vehicle shortage is significantly higher in SA 6 than elsewhere in LA County or California as a whole.

While public transportation is available in SA 6, there are challenges in terms of wait times, and bus and/or train stops that are not near residents' homes. This is further

<sup>3</sup> [Data and Monthly Fact Sheets | Los Angeles County Department of Children and Family Services \(lacounty.gov\)](#)

<sup>4</sup> Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates, Table B08122 and C17002. Some data extrapolated by Gary Bess Associates.

complicated by having to navigate these challenges<sup>5</sup> with small children or individuals with physical disabilities (per client feedback). From some parts of SA 6, clients take three or more buses to get to services and it can require significant coordination on behalf of the client and their family/caregivers.

The data demonstrates that many residents in SA 6 lack appropriate access to mental health services and experience both housing and transportation insecurities. These factors pose significant barriers to accessing care. A strategy is needed to address these disparities in childhood so residents in SA 6 may achieve improved mental health outcomes as adolescents and adults. This Innovative Project proposes a new model that will allow for a continuum of mental health care for children ages 5 to 12 and on-site interim housing for families of clients in one location thereby allowing children to receive the appropriate level of care in the right setting at the right time without the barriers to housing and transportation that may contribute to missed appointments and/or the inability to seek care.

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<sup>5</sup> Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates, Table B08122 and C17002. Some data extrapolated by Gary Bess Associates.

## **PROPOSED PROJECT**

### **A. Narrative:**

The First Community Care Village for Children & Families that Focuses on Mental Health Continuum of Care Including Housing.

The proposed project will provide a continuum of mental health services and resources that will address these issues and improve the health, wellbeing, and social value indices of the children and families in SA 6 by creating new mental health programs that do not currently exist in Los Angeles County and co-locating them with enhanced existing programs all in one location.

The Los Angeles County Department of Mental Health (LACDMH) provides specialty mental health services for children through a network of directly operated and contracted community outpatient clinics across the County. LACDMH has identified a community-based non-profit organization, Kedren Health, Inc. (Kedren), a Community Mental Health Center, to partner with for this Innovations proposal because of its long and deep ties to the local community as well as their experience with the array of mental health services for children.

Kedren was incorporated in 1965 for the purpose of:

- operating a community mental health center with a child guidance clinic and day treatment center.
- operating a therapeutic nursery school for emotionally disturbed children.
- diagnosing and treating emotional disorders and to prevent mental illness through family counseling.
- conducting seminars for the education of the community.
- engaging in research with findings made available to the public; and
- training and certifying mental health personnel, including doctors, psychologists, cultural anthropologists, nurses and social workers.

Furthermore, Kedren is licensed as an Acute Psychiatric Hospital and Community Mental Health Center that operates in two locations in South Central Los Angeles. With Kedren's south location to provide children's services, and it is at this location, bordering the Watts community, that LACDMH and Kedren plan to locate its Innovative Project, known as the Children's Community Care Village (CCCV).

The CCCV will demonstrate the first of its kind, best practice "village" concept dedicated to children and families that will include the delivery of the new services listed below and include the existing children and youth services at Kedren (i.e., acute inpatient, FQHC

and outpatient programs). These services/programs will be integrated into new programs to ensure a full continuum of care is available to provide our clients with the right care at the right time and right place. New services include:

- Intensive Case Management with an assigned care coordinator for each family as part of a Continuity of Care and Treatment Team to coordinate care among the continuum and ensure child and family voice and access to the most appropriate level of care.
- A full spectrum of children and youth mental health outpatient services including outpatient care and Integrated Comprehensive and Intensive Care for children.
- A children and youth crisis residential treatment program (The first and only CRTP in LA County dedicated to children and youth).
- A children and youth crisis stabilization unit.
- On-site transitional housing for children and families in crisis to include units for parent-child interactive therapy.

These new services will integrate and augment with the existing services on the same campus and surrounding network of services that are not funded with MHSA which includes but is not limited to:

- An inpatient acute psychiatric hospital,
- Federally Qualified Healthcare Center (FQHC) for primary and specialty care,
- Inpatient and outpatient pharmacy,
- Social services linkages,
- Community integration and reintegration programs,
- Parental supports and treatment for mental health and substance use,
- Transitional housing for families experiencing homelessness, and
- Work and life skill development programs.

-+

Collectively, these services are designed to increase access to care, minimize disruption in the life of the child, youth, and family, and directly address some of the needs outlined in this proposal:

- Improve access to health and mental health resources.
- Address the needs of children, youth, and families with limited access to transportation.
- Reduce homelessness.
- Improved success in school.

- Reduce incidence of neglect and abuse by assuring timely access to care in times of crisis.

## **CCCV SERVICE CONTINUUM**

### ***Intensive Care Coordination (ICC)***

The proposed ICC project will involve cross-agency collaboration to connect every service at Kedren with another, guided by family voice and choice and the needs of the child/youth to facilitate strength-based, individualized, culturally and linguistically relevant assessment. Crisis can disrupt the lives of children and youth as well as their families. The enhanced ICC services at the Community Care Village will follow the youth across levels of care to minimize disjointed care and disruption by ensuring the children and youth in outpatient settings can continue in their school of origin.

The teams providing these services will foster a collaborative relationship among the child or youth, their family, and involved child-serving systems. In addition, they will provide support and validation needed to gain trust to develop and maintain a constructive and collaborative relationship among the child or youth, their family, and involved child-serving systems.

The child or youth will be reassessed upon admission to another setting. The ICC coordinator will continue to follow the child or youth, allowing the team to build on the skills developed during their time within a higher level of care. The continuity provided by the ICC coordinator along with the discharge summary from the previous setting will assist the team to continue strategies that yielded positive results. The comforting strategies identified by the family and child will be the focal point of services provided. The teams providing these services will be skilled in adjusting their 1:1 or group interventions to the client's strengths and needs.

Each family at the Kedren CCCV will have an Intensive Care Coordinator (ICC) who will be part of the Child Family Team (CFT) and responsible for ensuring that:

- Components of plans from any of the system partners (including the mental health client plan, and plans from child welfare, special education, juvenile probation, etc.) are integrated and unified, to comprehensively address all identified goals and objectives.
- The activities of all parties involved with service to the child or youth and/or family are coordinated, to ensure that all team members work in cooperation with one another to support and promote successful and enduring change.

ICC services will be available from the first service provided on campus, during their time served in a Kedren program, to the time an individual is confirmed to be linked to a provider in their home community.

The ICC will also be responsible for:

- Ensuring that medically necessary services are accessed, coordinated, and delivered in a strengths-based, individualized, and culturally and linguistically relevant manner, and that services and supports are guided by family voice and choice and the needs of the child/youth.
- Ensuring that medically necessary mental health services included in the child's/youth's plan are effectively and comprehensively assessed, coordinated, delivered, transitioned, and/or reassessed, as necessary, in a way that is consistent with the full intent of the Integrated Care Plan. The ICC will coordinate and consult regularly with treating team members to ensure continuity of care particularly during transition.
- Facilitating a collaborative relationship among the child or youth, his/her family, and involved child-serving systems.
- Providing support and validation to gain trust to develop and maintain a constructive and collaborative relationship among the child or youth, his/her family, and involved child-serving systems.
- Supporting the parent/caregiver in meeting his/her child's or youth's needs.
- Ensuring services are provided that equip the parent/caregiver to meet the child's/youth's mental health treatment and care coordination needs, as described in the child's/ youth's plan.
- Ensuring access to non-traditional, and or community defined and culturally relevant treatment services.
- Helping to establish the CFT and provide ongoing support.
- Providing care planning and monitoring to ensure that the plan is aligned with, and coordinated across, the mental health and child/youth-serving systems, to allow the child/youth to be served in his/her community, in the least restrictive setting possible.

Engaging the child/youth and his/her family is foundational to building trust and mutually beneficial relationships between the family and the ICC. By eliminating barriers to transportation and access to care and providing a stable housing environment, Kedren's CCCV will provide a successful path for children and their families with the critical support of the ICC.

### ***Transport for Children to their School***

To minimize disruption during crisis, Kedren will provide comprehensive support and coordination for children, including educational services. The ICC will ensure

transportation and collaborate with local transportation services and schools to ensure that the child or youth have safe and reliable transportation to and from their school of origin. Kedren will provide transportation if no other options are available. The ICC will be responsible for:

- **Collaborating with the child or youth school of origin:** Work closely with the child's school of origin to understand their transportation policies and available options.
  - Advocate for the transportation needs of the child, collaborating with school's team to find suitable solutions.
- **Assess Individual Needs:**
  - Conduct assessments of the transportation needs of each child.
  - Identify children who require specialized transportation services due to disabilities or other unique circumstances.
- **Coordinate with Families:**
  - Work closely with the family to understand their transportation challenges and preferences.
  - Facilitate communication between families and transportation providers to ensure a smooth transportation experience.
- **Advocate for Transportation Assistance:**
  - Assist families in accessing transportation assistance programs or subsidies available in the community.
  - Provide advocacy services to help families navigate the application process for transportation assistance programs.
- **Emergency Transportation Plans:**
  - Develop emergency transportation plans in case a child cannot use their regular transportation method (e.g., due to illness or family emergency).
  - Establish protocols for handling transportation emergencies and communicate these plans to families and transportation providers.
- **Monitor and Address Issues:**
  - Regularly monitor the transportation arrangements to ensure they are reliable, safe, and meeting the needs of the children.
  - Address any transportation-related issues promptly, working closely with transportation providers and families to find solutions.
- **Provide Supportive Services:**
  - Offer supportive services to children during their transportation, such as assigning a staff member to accompany children who require additional assistance or supervision during transit.

By working collaboratively with schools, families, transportation providers, and community organizations, the ICC will ensure that the child has access to safe and reliable transportation to attend school regularly. Customized solutions and ongoing communication are key to successfully coordinating transportation services for these children.

### ***Continuity of Care and Treatment Team***

The treatment team will have multiple occupational therapists that will be working with the child or youth upon admission and throughout their treatment to minimize disruptions as the child transitions from different levels of care. It will also eliminate the duplication of services and instead promote coordination of services.

Occupational therapy is a skilled clinical service defined by integrated assessment and treatment of barriers to participation in daily life to promote wellbeing. Trained and licensed in the therapeutic management of functional needs associated with both physical and mental conditions, occupational therapists serve as a bridge between medical and behavioral health care with a central focus on enhancing quality of life through full inclusion and engagement in personally meaningful activities, routines, and life roles regardless of diagnosis or disability.

Occupational therapists are uniquely positioned to translate the promise of integrated care into practice through a whole-person approach that centers what matters most to the individual in each clinical encounter and facilitates collaborative care coordination.

Occupational therapists' fluency in the nuances of medical, mental health, developmental, educational, and vocational systems equip the interdisciplinary team to circumvent the fragmentation that further perpetuates health disparities in already underserved communities. When delivered in a mental health setting, occupational therapy specifically targets social, emotional, or behavioral factors and contributing environmental influences impairing an individual's ability to fully participate in these domains, including but not limited to:

- Basic activities of daily living.
- Instrumental activities of daily living such as communication device use, transportation use and money management.
- Work, play, sleep, physical activity, leisure activity, and safe sexual activity.
- Personal health management.
- Social participation including family, peers, and intimate partner relationships.
- Community participation including religious/spiritual routines, neighborhood inclusion, and community outings.

- Daily/weekly routines including balancing multiple life domains and transitions between tasks.

Occupational therapy services enable even the highest-need and most clinically complex clients, including those underserved by psychotherapy, medication support, and case management alone due to intensity of functional impairment, past/present stressors, neurological and/or co-occurring disability. Occupational therapy connects children and youth with their key support figures and accommodate their daily life environments to reduce sources of distress and develop core functional capacities for participation at home, school, and in the community in accordance with their personal mental health treatment goals.

### ***Community Access & Support Network (CAN)***

Kedren believes that community members are one of our strongest assets in destigmatizing mental health care which can help improve the overall mental health and wellbeing by positively encouraging those in need to seek treatment. As such, Kedren will work with LACDMH to recruit Community Ambassadors (Ambassadors) in the surrounding South Los Angeles communities to create a Community Access & Support Network (CAN). Ambassadors will include both family advocates and youth peer advocates.

The Ambassadors at Kedren will serve as problem-solvers and system navigators to help those who are seeking services to find appropriate resources. They will spend time in the community to raise awareness around mental health, availability of services, providing education and provide linkage to services. They will help nurture their communities, becoming an integral part of our health outreach efforts by empowering others, raising awareness, and supporting those in need to seek needed care. Onsite, the CAN ambassadors will provide peer support to both youth and families served at the CCCV.

### ***Transitional Age Youth (TAY) Drop-In Center***

Kedren's Transitional Age Youth (TAY) Drop-In Center will provide a safe space for young people ages 16-18 who are currently in or have been in the foster care system, victims of crime and those experiencing homelessness to access services such as linkages to employment services, education support, shelter/transitional housing, mental health, and extracurricular activities. The goal of the program will be to build the skills, self-esteem, and support system needed for TAY to transition into independent living in the community or to reunite with family.

In addition to access to showers, a laundry facility, resource library, computer stations, food and recreational space, services that the TAY Drop-In Center will include 1:1 and group counseling sessions, registration support for college, enrollment in vocational training, housing navigation support, and life-skills workshops that will foster good decision making for their futures.

Kedren will offer two new programs for children and youth at the CCCV that do not currently exist in Los Angeles County: a 16-bed crisis residential treatment program (CRTP) and a crisis stabilization unit (CSU). The ICC team will work with children, youth, and families served by the CRTP and CSU to manage transition of care within the campus or in their home community.

***Crisis Residential Treatment Program (CRTP):***

There are no CRTPs for children and youth in Los Angeles County at the current time. Kedren will build a new 16-bed CRTP at its CCCV.

CRTPs are designed to meet the needs of someone who is experiencing acute psychiatric impairment and moderate functional impairment but are not in need of inpatient care. The CRTP will provide short-term intensive and supportive services in a home like environment through an active social rehabilitation program. The average length of stay in adult programs is 10-14 days, not to exceed 30 days. The addition of the CRTP as an alternative to inpatient care will ensure minimal disruption in the life of the child or youth who can continue with their school of origin while working with their ICC coordinator and caregiver to transition to a lower level of care.

Having this service available in Los Angeles County will fill a void in the current system of care, allowing an appropriate treatment level between crisis stabilization and inpatient hospitalization. We firmly believe that by creating the first CRTP for children and youth in Los Angeles County we will see reduced costs, better quality of care, reduced delays in placement, placement in an appropriate level of care, and overall improved outcomes for children and youth.

***Crisis Stabilization Unit (CSU)***

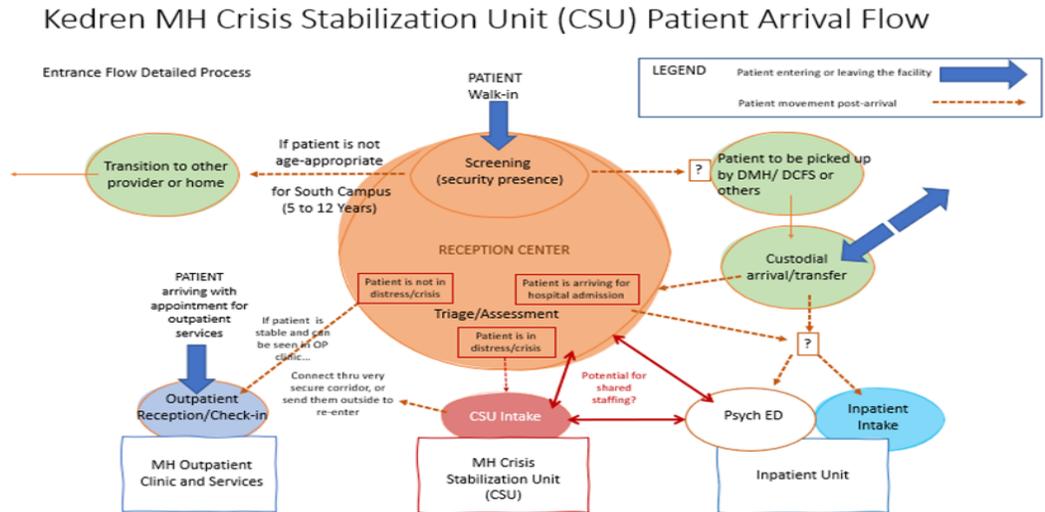
This community-based CSU will serve any child or youth who is experiencing a mental health crisis by providing stabilization and linkage services, providing another alternative to hospitalization or justice involvement. The focus will be on ensuring services culturally and linguistically appropriate, trauma focused, providing the least restrictive environment with the goal to return the child or youth back to their community setting.

Services include:

- 24/7 mental health assessment and crisis stabilization
- Therapeutic and mental health services
- Case management
- Family/caregiver support and education
- Referrals to community-based services for ongoing needs

The eight-bed CSU will provide a critical resource for stabilizing youth in psychiatric distress. It will divert emergency department usage and psychiatric hospitalizations and provide a resource for the outpatient center for children who present with a crisis. Figure 6 below details the patient flow to the CSU.

**Figure 6**



**The Integrated Comprehensive & Intensive Care for Children Program:**

Provides comprehensive, intensive, integrated, culturally and linguistically appropriate mental health and linkage services to children and young adults ages 0-21 and their families who have a serious emotional disturbance, are underserved, un-served, or inappropriately served. These clients may not have responded well to traditional outpatient mental health and/or rehabilitation services or those individuals who have incurred high costs related to acute psychiatric hospitalization or long-term care. They must satisfy one or more of the following criteria:

1. Lack a fixed, regular, and adequate nighttime residence.
2. Expulsion or suspension from school; chronic absenteeism (missing 10% of school days within a year).
3. History of suicidal and/or homicidal ideation; experiencing prodromal or first episode of psychosis psychiatric hospitalization in the last six months; experiencing first psychotic break.
4. Open DCFS case; experiencing two or more placements due to behavioral needs.
5. Transition to a less restrictive community setting.
6. Open Probation Department case.

7. With co-occurring disorders.
8. Experiencing severe mental health issues and not engaging in mental health services.

At the CCCV, children and their families will be provided with stable housing. Services needed for the child will be available onsite, and the ability to provide intervention and move a child between levels of care quickly should reduce psychiatric hospitalizations. In addition, the intensive treatment of the child will include collaboration and treatment of family members, as well as collaboration with oversight organizations.

***Children and Youth Mental Health Outpatient Services:***

The outpatient programs provide comprehensive, individualized child and family centered mental health and linkage services to children and adolescents ages 0-25 who reside in SA 6 and who present with SED or co-occurring substance abuse problems which contribute to maladaptive community functioning. Services are delivered by therapeutic teams trained to meet the unique cultural needs of the local community, embody unconditional care, flexibility, creativity, child and family centered services, school focused services, strength-based assessments, and interagency collaboration including but not limited to DMH, DCFS, Regional Center, Department of Probation, local schools, hospitals, social service agencies, etc.

The delivery of mental health services for children and youth is geared toward functional restoration through learning, development, family, and communal living. Mental health services assist clients in developing adaptive coping and social skills which foster recovery and resilience to augment functioning in the school, home, and community settings. ICC services will ensure coordination and continuity of care between the higher levels of care, outpatient care, alternative therapeutic or culturally relevant services, and other community-based services as identified by the child or youth and family.

***Outpatient Children Program:***

Provides comprehensive, integrated, linguistically and culturally appropriate mental health and linkage services to children ages 0 to 15 who have serious emotional and behavioral problems; are un-served, undeserved or inappropriately served; would not or are not able to access services in traditional settings due to stigma, preference, or multiple demands on families and systems that provide their care and meet at least one of the following criteria:

1. Are at risk of being removed from their home by DCFS.
2. Are at serious risk of school failure.
3. Are at risk of involvement in the juvenile system.
4. Have a co-occurring substance abuse or medical disorder.

5. Have experienced trauma.

In the proposed CCCV, children living onsite in the village would have readily available access to care. Adult family members who need care would have shuttle services available to Kedren's North Campus where adult services are located. Stigma associated with mental health care is eliminated because the CCCV is a place of healing where care is valued.



***Transitional Family Housing:***

Kedren will be working with a Cal Poly Pomona professor of architecture and his students, in collaboration with Beehive, our housing community partner, to develop 24 unique, cost-effective transitional housing units for families and single parent households. Also included in this housing model will be units for families who live out of the area who have a child in the inpatient or CRTP. Like the Ronald McDonald House, families can remain near the child in treatment and be part of the healing process.

Of the 24 residential units, four (4) units will be dedicated for parent-child interactive therapy (PCIT). These units will contain rooms like those in the residential units but will be used for PCIT and allow for coaching home interactions between the parent and child/children.

According to the CDC, “the mental health of parents and children is connected in multiple ways. Parents who have their own mental health challenges, such as coping with symptoms of depression or anxiety (fear or worry), may have more difficulty providing care for their child compared to parents who describe their mental health as good. Caring for children can create challenges for parents, particularly if they lack resources and support, which can have a negative effect on a parent’s mental health. Parents and children may also experience shared risks, such as inherited vulnerabilities, living in unsafe environments, and facing discrimination or deprivation.”

(CDC Children’s Mental Health, 2023)

Providing housing within the family structure will offer an opportunity for families to receive immediate support and stabilization.

Providing housing within the family structure will offer an opportunity for families to receive immediate support and stabilization. This in turn will facilitate recovery, resilience and

increase opportunities for successful family and community engagement. The CCCV will facilitate access to needed services along the continuum for children and their families and offer access to enabling and supportive services that are designed to end the cycle of homelessness, retain family units, and reduce the effects of homelessness on mental illness treatment for children and their families.

This service is expected to reduce homelessness among participating families. It will also address mental health needs of children and youth while supporting the families, which we expect to result in reduced involvement of the Department of Children and Family Services, reduced out of home placement in foster care and/or juvenile justice settings, and increased performance in education.

All Kedren clients and family members in need of housing may work with our housing coordinator and team on placement or linkage to transitional housing, Section 8, permanent supportive housing, senior house, and market rate rentals.

A major component of successful service and recovery is stable housing, especially for those difficult and hard to reach clients. We anticipate that this will provide an opportunity for expanded service delivery to more than 238 families each year.

## **Program Development & Implementation**

**Identify which of the three project general requirements specified above [per CRR, Title 9, Sect. 3910(a)] the project will implement.**

- *Introduces a new practice or approach to the overall mental health system, including, but not limited to, prevention and early intervention.*
- *Applies a promising community driven practice or approach that has been successful in a non-mental health context or setting to the mental health system.*
- *Makes a change to an existing practice in the field of mental health, including but not limited to, application to a different population.*
- *Supports participation in a housing program designed to stabilize a person's living situation while also providing supportive services onsite.*

The CCCV site will offer mental health services along the crisis treatment continuum and the mental health outpatient services continuum facilitating treatment collaboration. The CCCV will operate collaboratively across programs and services, helping children and families to become self-coordinating and successful in the community in which they live, reducing reoccurring incidents and the impact of those incidents, eventually increasing quality of life for the child and their family.

This is accomplished through establishment of new services such as the CRTP and on-site family housing and the re-imagining ICC services to partner with families, ensure voice and choice to support coordination across multiple levels of care and services. The addition of non-mental health supportive services such as school transportation meet mental health needs by minimizing disruption in the child or youths' life.

This innovation is the single point of service delivery site for all inpatient and outpatient services bringing holistic, cohesive care that addresses the whole child and family's needs. This will be a first fully integrated (not just co-located) model, and the only type of facility primarily focused on children.

With the CCCV, we are excited at the prospect of developing a new model of community-based practice that is replicable and uses many conventional approaches aligned and coordinated within one seamless system of care.

**Briefly explain how you have determined that your selected approach is appropriate. For example, if you intend to apply an approach from outside the mental health field, briefly describe how the practice has been historically applied.**

The CCCV approach is in keeping with models of care that emphasize integration across disciplines and that are scalable to the level of care required. In critical medical care, when a child has a serious physical illness or injury, there are systems that afford holistic treatment for the child and family regardless of their ability to pay, providing interim housing, a dedicated team for intensive needs, therapies, outpatient care and enabling services; all in one location such as at cancer treatment centers. Intensive case managers facilitate resource enrollment, health care system navigation, supportive social services for parents, as well as access to the health care needed.

LACDMH thus proposes to introduce a comparable cohesive and comprehensive care model for a child's serious emotional and mental health needs. While medical hospitals across the country have replicable systems for physical health, we are not aware of a one-stop location where crisis intervention, crisis stabilization, intensive outpatient, follow up therapy, medical health offices, interim housing and other enabling services and supports for children and their family members is available.

**Estimate the number of individuals expected to be served annually and how you arrived at this number.**

The behavioral health clinical services at CCCV will serve all children with a focus on children ages 5 to 12. The "new" clinical services include 16 crisis residential treatment program (CRTP) beds, eight (8) crisis stabilization unit/urgent care center (CSU/UCC) beds, and an outpatient clinic to address the full continuum of mental health needs. Additionally, the housing modules will have space for up to 24 family units of various sizes. Additionally, these new services will be integrated with the 30-36 inpatient acute psychiatric beds and FQHC- primary care.

**Table 1**

| <b>SERVICE LINE</b>                  | <b>CAPACITY</b> | <b>Unduplicated Clients<br/>(Annual - Projections)</b> | <b>Service Encounters<br/>(Annual - Projections)</b> |
|--------------------------------------|-----------------|--|--|
| <b>MHSA INN Funded Services:</b>     |                 |  |  |
| Crisis Residential (CRTP)            | 16 beds         | 417  | 5,40   |
| Crisis Stabilization (CSU/UCC)       | 8 beds          | 2,920  | 2,920  |
| Transitional Housing                 | 24 units        | 238**  | 1,560  |
| Integrated Care Coordination* (ICC)  |                 | 2,111 - 2,695  | 36,591 - 46,700                                      |
|                                      |                 |  |  |
| <b>Sub-Total</b>                     |                 | <b>5,686 - 6,270*</b>                                  | <b>41,071 - 51,180</b>                               |
| <b>Non-MHSA INN Funded Services:</b> |                 |  |  |
| Acute Psych Inpatient                | 30 beds         | 782  | 10,950   |
| FQHC - Primary Healthcare            |                 | 2,000  | 12,800   |
|                                      |                 |  |  |
| <b>TOTAL</b>                         |                 | <b>8,468 - 9,052*</b>                                  | <b>64,821 - 74,930</b>                               |

\*NOTE: CRTP, CSU and/or Housing client will likely be an ICC client, since all programs are designed to be "integrated."

\*\* Transitional Housing- 20 units traditional transitional housing + 4 units for PCIT

As shown in Table 1 above, CCCV may serve up to 5,520 - 6,104 unique unduplicated clients with a service encounter projection of 43,255 - 53,364 visits annually. For the full campus, combining both new and existing programs for which services and capital costs are funded by other sources, the CCCV could serve up to 8,302 - 8,886 unduplicated clients with 67,005 - 77,114 service visits annually.

**Describe the population to be served, including relevant demographic information (age, gender identity, race, ethnicity, sexual orientation, and/or language used to communicate.)**

Eligible residents by race/ethnicity in main service area surrounding Kedren are reflected in Table 2.

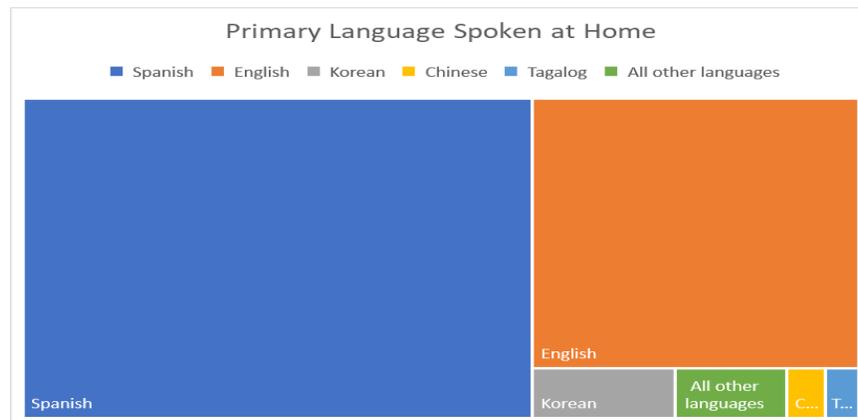
**Table 2**

| Race/Ethnicity <sup>1</sup>   | Service Area Low-Inc. No. | Service Area Low-Inc. Pct. | LA County | Calif. | U.S.A. |
|---|---------------------------|----------------------------|-----------|--------|--------|
| Hispanic or Latino  | 391,495                   | 68.4 %                     | 48.3 %    | 39.1 % | 18.2 % |
| Black or African American   | 121,798                   | 21.3 %                     | 8.1 %     | 5.7 %  | 12.6 % |
| Asian (South or East) or Asian Indian                                 | 29,767                    | 5.2 %                      | 14.8 %    | 14.8 % | 5.6 %  |
| Caucasian, Non-Hispanic (incl. North African and West/ Central Asian) | 21,590                    | 3.8 %                      | 25.9 %    | 36.5 % | 60.1 % |
| Other/ Multiple (non-Hispanic)  | 10,029                    | 1.8 %                      | 3.0 %     | 3.7 %  | 3.1 %  |
| American Indian, Alaska Native, Native Hawaiian, or Pacific Islander  | 5,883                     | 1.0 %                      | 1.0 %     | 1.2 %  | 1.0 %  |
| Total   | 572,209                   | 100%                       | 100. %    | 100 %  | 100%   |
| Total non-Caucasian   | 550,619                   | 96.2 %                     | 75.2 %    | 64.5 % | 40.6 % |

Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates, Table B03002.

<sup>1</sup>Hispanic/Latino is separated only from Caucasian and Other. It is duplicated in all other race categories.

Understanding the racial and ethnic background of its service area residents allows LACDMH and Kedren to ensure that its client composition reflects the racial/ethnic make-up of the service area. It also allows human resources to hire qualified staff who are reflective of the cultural, racial, and linguistic characteristics of the client population. Clients and family members of diverse races, ethnicities, and cultures can face health disparities unique to them, which challenges us to identify interventions and treatments that are acceptable. Finally, it allows for targeted cultural competency training for staff to improve cultural sensitivity and understanding of cultural beliefs and experiences.

**Figure 7**

Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates, Table B03002.

<sup>1</sup>Hispanic/Latino is separated only from Caucasian and Other. It is duplicated in all other race categories.

Nearly two-thirds (67.1%) of service area residents speak a language other than English in their homes, compared with 56.8% in LA County, 43.9% in California, and 21% in the

United States. The predominant home language in the service area is Spanish, with 61.0% of service area residents speaking Spanish at home.

Language barriers are important to address as they can create obstacles that interfere with quality of life and health status. Among all residents who reported speaking a non-English language in their homes, close to one-third of them (36.2%) reported that they do not speak English “very well.” This percentage represents more than 376,853 residents who report not feeling confident in their ability to speak English, and consequently, for whom language may be a barrier to healthcare.

To mitigate barriers to healthcare utilization, our partner, Kedren, employs bilingual, multi-cultural staff who regularly provide on-site translation services for clients with limited English proficiency, and has a contract with a language translation company that provides over-the-phone interpretation services.

LACDMH and Kedren embrace the diversity of the city, with multicultural, ethnic and gender diverse workplaces serving a population speaking a plethora of languages and diverse cultural backgrounds and of all genders, including LGBTQIA2-S, respecting the unique individuality of each person served by creating a treatment environment that is welcoming.

## **RESEARCH ON INNOVATION PROJECT**

### **A. What are you proposing that distinguishes your project from similar projects that other counties and/or providers have already tested or implemented?**

In November 2017, a group of 13 LA County officials and leaders visited Trieste, Italy to observe and study its World Health Organization (WHO)-recognized system of mental healthcare. The lessons learned in the Village model are that even those with the most severe impairments are considered capable of “a life in the community not defined by their mental illness.” This perspective is in keeping with the Mental Health Services Act, which requires an approach that goes beyond treating the symptoms of the illness and instead focuses on ensuring that people with mental illnesses, including children, have appropriate housing, social connection and belonging and purpose in their lives. While the Trieste model brings together various components of the community to meet the needs of the individual, this proposed model brings many of these services and family supports into one site.

Providers including the City of Hope Hospital, Children’s Hospital of Los Angeles, Cedars-Sinai Medical Centers, Shriners Hospital and others, all offer supports to the family, not leaving the child or the family alone to navigate the complex health care system to meet the needs of a child. A child or parent out of the home for intensive treatment should have the ability to maintain that familial and social relationships.

While recognizing that many children will require high levels of traditional clinical services and supports (e.g., therapy, medication support), the CCCV model's focus is on the whole life of the child (and the family). It will be the extensiveness, comprehensiveness and robustness of these psychosocial, non-illness centered services such as the Continuity of Care and Treatment team ICC coordinators which serve to facilitate transition and minimize life disruptions that will ensure the success of this endeavor.

**B. Describe the efforts made to investigate existing models or approaches close to what you are proposing. Have you identified gaps in the literature or existing practice that your project would seek to address? Please provide citations and links to where you have gathered this information.**

We were unable to find extensive literature on a model similar to the CCCV. Some services, such as CRTPs do not exist for children.

According to the “Working Paper: California’s Children & Youth Behavioral Health Ecosystem<sup>6</sup>, researchers “found that systems that makeup California’s ecosystem supporting the behavioral health of children, youth, and families – including our health care, early care, education, and social service systems – are disconnected from each other and from the young people, families and communities they serve.” They also report that many who work in and with the systems intended to support youth and families, are understaffed, historically under-resourced, lack the tools and cultural competency needed to address the behavioral health needs of California’s diverse communities, and “are rooted in long-standing systems of oppression.” The result is that these systems are distrusted by children, youth, and families.

Furthermore, a fundamental flaw reported in the California Ecosystem report is that the current system is siloed. Integration, the foundation on which a new ecosystem must be built, is not present. The report states that an “integrated ecosystem can only be achieved through a collective effort that unifies young people, families, communities and the professionals that serve them, in shared goals, shared accountability, and shared support for the whole person, from birth through early adulthood (pg. 3)”.

Family-focused service delivery in mental health services is a model that views the person with the mental illness in the context of their family relationships<sup>7</sup>, which is what the CCCV aspires to do. Family focused practice that includes support for parent and child well-being, has been a promising selective prevention strategy and to enhance public mental health at the population level<sup>8</sup>. Thus, providing targeted intervention support for children

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<sup>6</sup> <https://www.cmhnetwork.org/wp-content/uploads/2023/03/Ecosystem-Working-Paper--ADA.pdf>

<sup>7</sup> Foster K, Goodyear M, Grant A, Weimand B, Nicholson J. Family-focused practice with EASE: a practice framework for strengthening recovery when mental health consumers are parents. *Int J Ment Health Nurs.* (2019) 28:351–60. doi: 10.1111/inm.12535

<sup>8</sup> Wahlbeck K. *Public mental health: the time is ripe for translation of evidence into practice.* *World Psychiatry.* (2015) 14:36–42. doi: 10.1002/wps.20178

and their parents can break the cycle of intergenerational transmission of mental illness, when it is present, and especially improve outcomes for children of parents with a mental illness<sup>9</sup>. Furthermore, interventions targeting parental behavior or parent-child interactions have typically shown small but significant positive outcomes on sensitivity and responsiveness between parents and children<sup>10</sup>.

## **LEARNING GOALS & OBJECTIVES**

As described above, the model is evolving, building on recommendations from the literature and LACDMH's direct study. The learning questions for this proposal include the following:

- Does having an assigned Intensive Care Coordinator expedite access to appropriate levels of care and reduce the higher level acute psychiatric hospital inpatient admissions?
- Does access to non-traditional mental health services (e.g., creative wellbeing, neurofeedback, vocal modulation, drumming circles, peer to peer services, etc.) increase/improve engagement in SMHS and decrease length of time engaged in high intensity SMHS?
- Will having a scalable continuum of care in one location lead to better outcomes for children and their families, including
  - Support to safely continue to school of origin
  - Reduced psychiatric crisis
  - Increased access to care
  - Improved quality of care
  - Reduce time between step up/step down care levels
- Is the provision of housing for children and families who are currently experiencing crisis and/or homelessness an effective solution for stabilizing their lives and contributing to overall mental health outcomes including
  - Reduced child welfare involvement
  - Reduced out of home placement in foster or juvenile justice settings
  - Reduced days of homelessness among families
  - Improved education performance

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<sup>9</sup> Wainberg ML, Helpman L, Duarte CS, Vermund SH, Mootz JJ, Gouveia L, et al. Curtailing the communicability of psychiatric disorders. *Lancet Psychiatry*. (2018) 5:940–4. doi: 10.1016/S2215-0366(18)30342-0

<sup>10</sup> Thanhäuser M, Lemmer G, de Girolamo G, Christiansen H. Do preventive interventions for children of mentally ill parents work? Results of a systematic review and meta-analysis. *Curr Opin Psychiatry*. (2017) 30:283–99. doi: 10.1097/YCO.0000000000000342

*PubMed Abstract | CrossRef Full Text | Google Scholar*

- If the CCCV is an effective model for children’s mental health, what are next steps toward manualizing the model and moving toward establishing it as an evidence-based practice? How can this model be made scalable.

## EVALUATION OR LEARNING PLAN

LACDMH intends to contract with an outside contractor with experience in evaluating mental health programs and outcomes. Based on the preceding questions to be answered and the goals and objectives described above, the following outcomes are anticipated:

- Improvement in Quality of Life for Participating Families – the problem addressed by the CCCV concept is disruption of a fragmented system of care by providing children and their families with an integrated residential program designed to overcome barriers that all too often interfere with improvement in personal health and wellness and family cohesion. A central theme is improvement in the child’s functionality and the family system. The CCCV provider will implement a longitudinal quality of life assessment outcome tool to be completed by parents/guardians and older youth. While a tool has not been finalized, domains to be included in the assessment are:
  - mental and physical wellbeing.
  - relationships with family and friends.
  - social, community and civic opportunities.
  - personal development and fulfillment.

These domains can be found in the following assessment tools from which the selected assessments will likely come:

1. The Quality of Life Scale (Flanagan, 1978)<sup>11</sup>
2. McGill Quality of Life Questionnaire – Expanded (Cohen et al., 2019)<sup>12</sup>
3. Health-Related Quality of Life Questionnaire (CDC, 2000)<sup>13</sup>
4. World Health Organization Quality of Life Instrument (WHO, 2012)<sup>14</sup>

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<sup>11</sup> Flanagan, J. C. (1978). A research approach to improving our quality of life. *American Psychologist*, 33(2), 138-147.

<sup>12</sup> Cohen, S. R., Russell, L. B., Leis, A., Shahidi, J., Porterfield, P., Kuhl, D. R., ... & Sawatzky, R. (2019). More comprehensively measuring quality of life in life-threatening illness: The McGill Quality of Life Questionnaire–Expanded. *BMC Palliative Care*, 18(92), 1-11.

<sup>13</sup> Centers for Disease Control and Prevention (CDC). (2000). Measuring healthy days: Population assessment of health-related quality of life. Retrieved from <https://www.cdc.gov/hrqol/pdfs/mhd.pdf>.

<sup>14</sup> World Health Organization (WHO). (2012). WHOQOL User Manual. Retrieved from <https://www.who.int/toolkits/whoqol>.

## 5. Global Quality of Life Scale (1996)<sup>15</sup>.

The quality-of-life measure will be administered soon after enrollment and at intervals of three (3) months for as long as families are enrolled, and for three (3) months post discharge.

- Client Experience – Client experience encompasses the range of interactions that takes place within the behavioral healthcare system, including the care that they receive from clinical staff, care managers, and supportive services staff. As an integral component of quality care, client experience includes several aspects that clients value when they seek and receive care, such as getting timely appointments, easy access to services and information, and good communication with providers and other staff. Understanding patient experience is an important component for the CCCV model in that by looking at different aspects of client experience, we can assess the extent to which clients are receiving care that is respectful of and responsive to their individual and family needs, including cultural and linguistic preferences and values. We intend to build on the Consumer Assessment of Health Care Provider and Systems (CAHPS) tool, promoted by the Agency for Healthcare Research and Quality (AHRQ)<sup>16</sup>, which provides well-tested questions that have benefited from a consistent methodology across a large sample of respondents to generate standardized and validated measures of client experience. Like the quality-of-life assessment, client experience will occur at enrollment as a retrospective assessment of previous experiences and at intervals of three (3) months during enrollment in the program and for three (3) months post discharge in that some services will continue.
- Provider and Staff Job Satisfaction – Just as client experience is a relevant line of inquiry, so too is the experience of providers and staff in that discontinuity in services is not just due to siloed systems, but also provider dissatisfaction and its impact on treatment. According to a study of social workers by Siebert (year), there is a burnout rate of 39% and a lifetime burnout rate of 75%<sup>17</sup>. This highlights the prevalence of burnout among social workers and allied professionals, and its potential impact on the CCCV program. We intend to use two (2) tools to assess satisfaction. The first is the Maslach Burnout Inventory (MBI), which is a psychological assessment comprising 22 symptom items that pertain to occupational burnout. The original form of the MBI was developed with the goal of assessing an individual's experience of burnout, and its measures three (3) dimensions: emotional exhaustion, depersonalization, and personal accomplishment ([https://en.wikipedia.org/wiki/Maslach\\_Burnout\\_Inventory](https://en.wikipedia.org/wiki/Maslach_Burnout_Inventory)). The second tool pertains to employee and work satisfaction. We are considering a

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<sup>15</sup> Hyland, M. E. (2003). A brief guide to the selection of quality of life instrument. *Health and Quality of Life Outcomes*, 1(24), 1-5.

<sup>16</sup> What Is Patient Experience? Content last reviewed August 2022. Agency for Healthcare Research and Quality, Rockville, MD. <https://www.ahrq.gov/cahps/about-cahps/patient-experience/index.html>

<sup>17</sup> Siebert, D.C., Siebert, C. F., & Taylor. (2007) Susceptibility to emotional contagion: Its measurement and importance to social work. McLaughlin, A

hybrid of two (2) tools. The first is the Brief Index of Affective Job Satisfaction (BIAJS), which is a four-item assessment that measures overall effective job satisfaction. The other is the Job Descriptive Index (JDI)<sup>18</sup>, which measures satisfaction in five (5) areas:

- Pay
- Promotions and promotion opportunities
- Co-workers
- Supervision
- The work itself

We intend to compare the responses of CCCV staff with surveys completed by other staff of youth and family services agencies, and as a show of appreciation for participation, we will share the survey results with agency management.

- Process Assessment – A study of the CCCV's developmental process will be conducted to support replication of its success in other communities in California. A combination of content analysis of materials, key informant interviews with staff and service recipients, and focus group participants will be used to capture the CCCV's evolution as an integrated system of care and to identify critical success variables necessary for program and service development. Working from a logical model, which will include anticipated activities, outputs, and outcomes, and a PDSA (Plan, Do, Study, Act) cyclical approach, benchmark events will be documented, including the rationale for changes made to improve the program. From these observations in combination with the other outcomes proposed herein, a user-manual will be developed to guide programs that follow from the lessons learned by CCCV developers.

**METRICS:** In addition to the required demographic metrics, and the evaluative measures described above, we will capture additional quantitative data for the project that includes:

- Number treated in CRTP.
- Number of children discharged instead to Village with family.
- Number of families at risk of child removal
- Number of families who are at risk of being unhoused.
- Number of families reunified because of interim housing.
- Number of families who used transitional housing.
- Number of families who obtained permanent housing.
- Number of return admissions and time between admissions

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<sup>18</sup> Smith, P.C., Kendall, L.M., & Hulin, C.L. (1969) The measurement of satisfaction in work and retirement. Chicago: Rand McNally.

- Number of days to schedule an appointment when stepping up/down.
- Number of times more than 30 days for appointment availability
- Number of times a medication not refilled due to not having an appointment.
- Number of missed appointments
- Number of children who abandon care.
- Number of family members provided MH/SUD treatment.
- Number of family members engaged in Family Unit Treatment
- Number of wellness courses and participants
- Number of families using short-term housing to engage with treatment of child.

**Section 3:**

**ADDITIONAL INFORMATION FOR REGULATORY REQUIREMENTS**

## **CONTRACTING**

This project has been designated for implementation in SA 6, South Los Angeles, due to the demonstrated health, mental health, and social inequities in the community. LACDMH intends to partner with Kedren to provide comprehensive mental health services for children along the mental health continuum at the Children’s Community Care Village. Kedren has longstanding ties to the SA 6. Kedren demonstrates an understanding of community needs because LACDMH has an existing contractual relationship with Kedren. In addition, to date Kedren has established additional funding sources for various project components, and the proposed site is located on property owned by Kedren, the selection of a contractor through an RFP process is not applicable.

## **MHSA GENERAL STANDARDS**

### **A. Community Collaborations**

The proposed initiative focuses on community and ways to introduce services and resources proactively and therapeutically across the county. LACDMH is committed to a recovery-based system of care.

This project has been in planning since 2021. The Board of Directors of Kedren and the community stakeholders in SA 6 have collaboratively engaged to vision, innovate and plan for the CCCV. The project was presented to Kedren and LACDMH stakeholders at a joint meeting on December 22, 2022, followed by an opportunity for public comment from January 20, 2023, through February 20, 2023.

### **B. Cultural Competency**

LACDMH abides by the National Standards for Culturally and Linguistically Appropriate Services (CLAS) in Health and Health Care as do our contracted agencies and partners. CLAS Standards advance health equity, improve quality, and help to eliminate health care disparities by offering an implementation blueprint.

Our partner, Kedren, actively engages in efforts to ensure that linguistically matched services are available through the recruitment of bilingual staff members within service components. One of the challenges of working in Los Angeles is the diversity of languages spoken. While it is relatively easy to accommodate monolingual clients who speak Spanish, it is challenging to have translators available for less common languages. Other languages spoken by staff include Russian, Armenian, Vietnamese, Hmong, Cantonese, Mandarin, Japanese, Russian, Tagalog, Cambodian, and Laotian.

Additionally, Kedren offers a video relay system that provides sign language interpretation on demand. Providing culturally competent services includes understanding the unique

cultural needs of the community service. In addition to ensuring staff are reflective of the community service, the incorporation of ICC will allow children, youth, and families to voice their preferences in treatment, and alternative, culturally appropriate services will be considered as part of the treatment plan.

### **C. Client and Family Driven, Resiliency Focused**

Every child and youth served at the CCCV will be offered ICC services, including ICC. The implementation of the Child and Family Team meetings will create space and structure needed for the child or youth and family to include who they identify as critical to care and care planning and to voice their concerns, needs, and preferences in treatment. Participants are encouraged to actively engage in their care and to express concern arising from problems with the care they received. Treatment plans and progress will be strength focused and reviewed at regular intervals and open communication between family members and care providers is encouraged.

### **D. Integrated Service Experience for Clients and Family**

The application of a new model to facilitate service integration through the addition of the ICC services is a key innovation in this project. The goal is to improve the system by improving transitions across the system of care within and outside of the CCCV through a single coordinator who can tie the goals identified by the child and family in the CFT developed treatment plan with the services available at each level of care through coordination with the treatment teams. This reduces time spent re-establishing treatment goals and allows for the child or youth to build on their progress at each stage.

## **CULTURAL COMPETENCE AND STAKEHOLDER INVOLVEMENT IN EVALUATION**

The contracted evaluation will include metrics related to populations served, availability of culturally competent services and impact on identified disparities. Los Angeles County MHSAs Stakeholders have prioritized the accessibility of culturally competent services and the reduction of disparities across LA County. An annual update on this project will be presented to countywide MHSAs stakeholders during the planning process for feedback and recommendations.

## **INNOVATION PROJECT SUSTAINABILITY AND CONTINUITY OF CARE**

Based on evaluation at project end, DMH will identify the appropriate funds to continue supporting services that are not self-sustaining if available. LACDMH and Kedren believe that the project is sustainable, and that care continuity will be provided through existing fees for services, the FQHC funding that Kedren receives, and contracts for service and/or referrals with the many partner organizations throughout Los Angeles County including LACDMH. If portions of the pilot are not sustainable or not successful, LACDMH will work to ensure continuity in care for all participants in the transition of the project.

## **COMMUNICATION AND DISSEMINATION PLAN**

### **A. How do you plan to disseminate information to stakeholders within your county and (if applicable) to other counties? How will program participants or other stakeholders be involved in communication efforts?**

All the input gathered will be incorporated into information disseminated to LACDMH, and through our collaborative partnerships with other community stakeholders. Further, ongoing input will be sought from clients, families and involved stakeholders as part of their organizational quality monitoring. As such Kedren has had and plans to continue community outreach regarding CCCV, services and community engagement. Further, because Kedren is a Federally Qualified Healthcare Center (FQHC), Kedren's Board of Directors is 51% consumers (as mandated by law) who live in the community/neighborhood. Participant and stakeholder input is explicitly imbedded into this program expansion.

LACDMH will share information about the evolving model with other jurisdictions interested in trying a comparable approach that builds on lesson learned. Updates will be shared in the LACDMH's Annual Update and Three-Year Plans. Regular updates will be provided to the local Mental Health Commission and stakeholders in regularly scheduled meetings. In addition, there is opportunity to participate through professional channels, such as conferences and association meetings, where findings will be shared, and technical assistance offered as the CCCV evolves.

### **B. KEYWORDS for search: Please list up to five keywords/phrases for this project that someone interested might use to find it in a search.**

1. Intensive Care Coordination and Mental Health Continuum of Care
2. Children's Community Care Village and Mental Health Village
3. Crisis Residential Treatment Program for Children
4. One-Stop Shop
5. Integrated Services and Service Integration

## TIMELINE

The total timeframe (duration) of the CCCV project is FIVE YEARS. Pre-construction has already begun using awarded funding noted earlier in the proposal, and full construction is expected to be completed by May 27, 2026. The augmentation of the service/operational dollars will commence in FY 2024-25, with full service/operational capacity (and full draw down) in FY 2026-27 for half of year three and the remaining two full years (providing enough data for evaluation and results analysis).

| SERVICE DELIVERY/IMPLEMENTATION                 |                                    |                                    |                                    | CAP PROJECT: CONSTRUCTION         |
|---|------------------------------------|------------------------------------|------------------------------------|-----------------------------------|
| ICC   | Transitional Housing               | CRTP                               | UCC                                |                                   |
|   |                                    |                                    |                                    | 2022: Planning & Pre-Dvlpmt.      |
|   |                                    |                                    |                                    | 2023: Design Development          |
| 07.2024: START MHSA FUNDING                     | 07.2024: START MHSA FUNDING        | 07.2024: START MHSA FUNDING        | 07.2024: START MHSA FUNDING        | 07.2024: START MHSA FUNDING       |
| 2024: Collect Base Line Data                    | 2024: Collect Base Line Data       | 2024: Collect Base Line Data       | 2024: Collect Base Line Data       | 2024: Pre-Construction            |
| 2024: Integration Process Dvlpmt.               | 2024: Integration Process Dvlpmt.  | 2024: Integration Process Dvlpmt.  | 2024: Integration Process Dvlpmt.  |                                   |
| 2024: Begin Hiring Staff                        |                                    |                                    |                                    |                                   |
| 2024: Begin Svcs + Data Collection              |                                    |                                    |                                    |                                   |
| 2025: Continue Staffing Up                      |                                    |                                    |                                    | 2025: Construction Begins         |
| 2025: 50% Svc Delivery (new + existing clients) |                                    |                                    |                                    |                                   |
| 2025: Begin Eval & Reporting                    |                                    |                                    |                                    |                                   |
| 2026: Full Staff Up                             | 01.2026: Begin Hiring Staff        | 01.2026: Begin Hiring Staff        | 01.2026: Begin Hiring Staff        | 05.2026: Cert of Occupancy Issued |
| 2026: Full Service Delivery (+Data)             | 06.2026: Full Svc Delivery (+Data) | 06.2026: Full Svc Delivery (+Data) | 06.2026: Full Svc Delivery (+Data) |                                   |
| 2026: Cont Eval & Reporting                     |                                    |                                    |                                    |                                   |
| 2027: Eval & Reporting (annual)                 | 2027: Begin Eval & Reporting       | 2027: Begin Eval & Reporting       | 2027: Begin Eval & Reporting       |                                   |
| 2028: Eval & Reporting (annual)                 | 2028: Eval & Reporting (annual)    | 2028: Eval & Reporting (annual)    | 2028: Eval & Reporting (annual)    |                                   |
| 2029: Final Eval. & Reporting                   | 2029: Final Eval. & Reporting      | 2029: Final Eval. & Reporting      | 2029: Final Eval. & Reporting      |                                   |
| 06.2029: END MHSA Funding                       | 06.2029: END MHSA Funding          | 06.2029: END MHSA Funding          | 06.2029: END MHSA Funding          | 06.2029: END MHSA Funding         |

**Section 4:**  
**INN PROJECT BUDGET AND SOURCE OF EXPENDITURES**

## INN PROJECT BUDGET & SOURCE OF EXPENDITURE

### Budget Narrative

LACDMH total request for MHSA Innovations Funding of **\$100,594,450**

The total request for operational costs for **five years** is \$34,825,198 and \$65,769,252 for capital costs.

The requested \$34,825,198 MHSA INN for services will draw down an additional \$62,567,519 in Medi-Cal match, for a **total service provision of \$97,392,718<sup>18</sup>** over the course of five (5) years.

Key highlights of the main program components that are being funded:

#### ***Intensive Care Coordination (ICC):***

The flagship and core for the CCCV, hiring for ICC will be aggressive and begin immediately upon acceptance of funds. We anticipate 50% staffing and service delivery capacity/capability of this new innovative program by the end of year one for all existing clients. By end of year two, Kedren will achieve full staffing and service delivery capacity/capability for existing and new clients. The end of year two (May 2026) will mark the completion of the campus and bring online CRTP, UCC and Transitional Housing services that will need to be integrated with each other and all existing programs.

The ICC Program will include approximately 68 FTE consisting of (but not limited to) psychiatrists, nurse practitioners, nurses, internists, social workers, case managers, program managers, pharmacists, dieticians, and support staff (such as but not limited to transportation specialists, outreach workers, peer advocates, clerks, etc.) working in specialized ICC teams depending on the client/family need.

#### ***Crisis Residential Treatment Program (CRTP):***

The first and only CRTP for children in Los Angeles County will be in operation by the beginning of FY 2026.

In addition to ICC support, the 16 beds staffed by approximately 28 FTE consisting of a team of nurses (Charge Nurse, Nurse, LVN, CNAS/MHW) working in 12-hour shifts, along and clinicians; social workers, case workers, occupational therapists, psychologists, psychiatrists, nurse practitioners, internists, and support staff (dietician, food service workers, clerks, community liaison, etc.)

The average length of stay is anticipated to be 14 days.

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<sup>18</sup> This amount only reflects the service dollar provided by the “new” services that are funded by MHSA INN. This does not include service dollars that will be provided for other services (existing) on the campus, such as inpatient acute psych, FQHC (primary care), etc....

***Urgent Care / Crisis Stabilization Center (UCC/CSU):***

The UCC will be a 23-hour 59-minute emergency center that will be open to the public and fully operational beginning of FY 2026.

In addition to ICC support, the core staff will be a 10-12 chair unit staffed by approximately 29 FTE that consists of a team of nurses (Charge Nurse, Nurse, LVN, CNAS/MHW) working in 12 hour shifts, along with (but not limited to) social workers, case workers, occupational therapists, psychologists, psychiatrists, nurse practitioners, internists, and support staff including but not limited to an office manager, dietician, food service workers, clerks, and a community liaison.

Per state law, maximum stay cannot exceed 24 hours.

***Transitional Housing:***

The modular transitional housing complex will consist of 24 units capable of housing up to two (2) adults and two (2) children or one (1) adult and three (3) children, plus one (1) unit for the manager/residential advisor.

Two (2) programs will be run out of the facility with approximately 20 units dedicated to traditional transitional housing (with a focus on clients/families receiving services at Kedren) and four (4) units for Parent-Child Interactive Therapy (PCIT).

In addition to ICC support, the core staff for the programs will include nine (9) FTE consisting of full-time, on-site (live-in) resident advisor, social workers, case managers, occupational therapists, psychologists, psychiatrists, a nurse practitioner, pharmacists, and support staff including but not limited to the dietitian, food service workers, and community liaison.

The average length of stay is 8-9 months, with maximum stay not to exceed 18 months.

***Special Note: Workforce Shortages***

California and the nation have been experiencing massive, long-standing shortage of healthcare and social workers; a fact that is exponentially exacerbated in the mental health specialties. Kedren has already been working to address normal staff attrition. In anticipation of exponential new hires, we have accordingly reflected gradual onboarding of services and staff in the timeframe. With ample lead time for Kedren to ramp up to 100% service delivery capacity and capability to all our new and existing clients

Further, Kedren has already established partnership with Charles Drew University, and for several years Charles Drew doctors and nurses (primary and psychiatric) train at Kedren, as well as many other joint programs. Most recently in October of 2023, under the leadership of California State Assemblymember Mike Gipson, a new “joint nursing program” collaborative has been created between Kedren, Charles Drew and Cal State

Long Beach that will encourage new students into the field of nursing, practical application curriculum at Kedren/Drew, and most importantly Kedren/Drew will get priority in hiring in an effort to get graduates to work and stay in the local community.

***Non-recurring costs - Capital Project***

The MHSA INN request for Capital costs of \$65,769,252 is requested to build state of the art, up to date facilities that will house a full spectrum of children and youth mental outpatient services, including a 23-hour urgent care crisis stabilization unit (UCC/CSU), an integrated “step-down” sub-acute crisis residential treatment program (CRTP), an outpatient pharmacy, and space for partner organizations and complementary services to engage with children and their families. All components of the CCCV are aligned with the MHSA INN directives, mission, and guidelines.

The MHSA INN capital project request covers only a portion of the building of the comprehensive integrated campus. The full project cost is over **\$160,000,000** and includes a 30-36 bed inpatient acute psychiatric hospital, FQHC primary care, amongst other components **that have already or will be funded** by other public and private funding sources listed below:

- \$57.4M - BHCIP (Behavioral Healthcare Infrastructure Program) Round 4
- \$25M MHSA CFTN pending OAC approval of INN funds
- \$2.5M - California State Legislature (2023)
- Land Grant - City of Los Angeles (in process)
- \$1M - LA County Board of Supervisors, Supervisor Holly Mitchell (2022)
- \$1M Various Foundations & Private Philanthropy (California Community Foundation, Weingart, Ahmanson, etc.)
- \$10M FUTURE Private Capital Projects Fundraising Campaign (Foundations and Private Philanthropy)

The entire CCCV facility is approximately 134,764 gross square feet, with the MHSA INN funded portion approximately half 63,367 gross square feet. For the MHSA INN funded portion alone, it is far more cost effective for to build this facility than lease for the following reasons:

- No such facility exists: a 134,764 square foot campus, let alone 63,367 square foot space (that allows for hospital and clinical space) is not available nor existent in the South Los Angeles area.
- Even if space was available, the total cost to lease/rent such a facility would be minimum \$55.1M over the same 5-year period;

- Annual lease of \$3.4 million (\$17.1 M for 5 years)
  - \$38M in one-time Tenant Improvement (*including but not limited to build-out, renovation, upgrades, CA OSHPD & city licensing, and other*) costs to get such a site program ready (avg TI of \$600 sq/ft.)
  - Additionally, Tenant Improvement will take 1-3 years depending on the level of renovations/upgrades needed and proper zoning and licensing.
- "Program sustainability" – in the "long run" post MHSA INN funding period, it would be far more cost effective to build/own now versus lease/rent, which ensures greater likelihood for continued program continuity and funding.
  - Over a 30-year period of service, the expected rental/lease cost would be minimum \$140M. If you build the facility today opposed to renting today, the cost saving would be \$49.23M over the 30-year period. \$49.23M that can be used to fund additional services.

We appreciate the consideration of the Mental Health Services Oversight and Accountability Commission for this much needed community service. This project represents real opportunity to address disparities in our SA 6, South Los Angeles region.

## Budget by Fiscal Year & Specific Budget Category

| BUDGET BY FISCAL YEAR AND SPECIFIC BUDGET CATEGORY                   |                   |                     |                      |                      |                      |                      |                      |                       |
|--|-------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| EXPENDITURES:<br>SERVICES  | FY 22/23          | FY 23/24            | YR 1: FY 24/25       | YR 2: FY 25/26       | YR 3: FY 26/27       | YR 4: FY 27/28       | YR 5: FY 28/29       | TOTAL                 |
| Personnel  |                   |                     | \$ 8,234,050         | \$ 8,645,752         | \$ 16,801,822        | \$ 17,255,724        | \$ 17,732,321        | \$ 68,669,669         |
| Operating Costs  |                   |                     | \$ 1,131,027         | \$ 1,187,578         | \$ 3,223,969         | \$ 3,286,317         | \$ 3,351,782         | \$ 12,180,673         |
| Evaluation   |                   |                     | \$ 250,000           | \$ 262,500           | \$ 515,625           | \$ 529,406           | \$ 543,877           | \$ 2,101,408          |
| Community Based Organizations  |                   |                     | \$ 250,000           | \$ 262,500           | \$ 425,625           | \$ 439,406           | \$ 453,877           | \$ 1,831,408          |
| Indirect Costs   |                   |                     | \$ 1,479,761         | \$ 1,553,750         | \$ 3,109,085         | \$ 3,190,657         | \$ 3,276,308         | \$ 12,609,561         |
|  |                   |                     |                      |                      |                      |                      |                      |                       |
| <b>Services Sub-Total</b>  |                   |                     | <b>\$ 11,344,838</b> | <b>\$ 11,912,080</b> | <b>\$ 24,076,126</b> | <b>\$ 24,701,510</b> | <b>\$ 25,358,165</b> | <b>\$ 97,392,719</b>  |
|  |                   |                     |                      |                      |                      |                      |                      |                       |
| EXPENDITURES:<br>CAPITAL PROJECTS                                    | FY 22/23          | FY 23/24            | YR 1: FY 24/25       | YR 2: FY 25/26       | YR 3: FY 26/27       | YR 4: FY 27/28       | YR 5: FY 28/29       | TOTAL                 |
| Non-recurring costs (Capital Projects: <b>MHSA INN Components*</b> ) |                   |                     | \$ 14,728,252        | \$ 51,041,000        |                      |                      |                      | \$ 65,769,252         |
| Non-recurring costs (Capital Projects: Non-MHSA Components**)        |                   |                     | \$ 21,145,397        | \$ 47,832,985        |                      |                      |                      | \$ 68,978,382         |
| Non-recurring costs (Capital Projects: Pre-Planning)                 | \$ 500,000        | \$ 2,000,000        |                      |                      |                      |                      |                      |                       |
|  |                   |                     |                      |                      |                      |                      |                      |                       |
| <b>Capital Projects Sub-Total</b>                                    | <b>\$ 500,000</b> | <b>\$ 2,000,000</b> | <b>\$ 35,873,649</b> | <b>\$ 98,873,985</b> |                      |                      |                      | <b>\$ 137,247,634</b> |
|  |                   |                     |                      |                      |                      |                      |                      |                       |
|  |                   |                     |                      |                      |                      |                      |                      |                       |
| <b>TOTAL INNOVATION BUDGET</b>                                       | <b>\$ 500,000</b> | <b>\$ 2,000,000</b> | <b>\$ 47,218,487</b> | <b>\$110,786,065</b> | <b>\$ 24,076,126</b> | <b>\$ 24,701,510</b> | <b>\$ 25,358,165</b> | <b>\$ 234,640,353</b> |

\* MHSA INN Components are referencing the capital projects costs for CRTP, CSU/UCC, Transitional Housing, and spaces for outpatient services/programs (offices, therapy rooms, activities room, etc...)

\*\* Non-MHSA Components comprise of inpatient acute psych, FQHC (primary care) and other ancillary buildings.

## Budget Context- Expenditures by Funding Source & Fiscal Year

| BUDGET CONTEXT - EXPENDITURES BY FUNDING SOURCE AND FISCAL YEAR (FY) |               |              |                |                |                |                |                |                |
|--|---------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| FUNDING SOURCES:<br>ADMINISTRATION + EVALUATION (Services)           | FY 22/23      | FY 23/24     | YR 1: FY 24/25 | YR 2: FY 25/26 | YR 3: FY 26/27 | YR 4: FY 27/28 | YR 5: FY 28/29 | TOTAL          |
| Innovation Funds (Services)  |               |              | \$ 3,478,327   | \$ 3,652,244   | \$ 9,036,604   | \$ 9,228,347   | \$ 9,429,677   | \$ 34,825,199  |
| Federal Financial Participation (Medi-Cal)                           |               |              | \$ 7,866,511   | \$ 8,259,836   | \$ 15,039,522  | \$ 15,473,163  | \$ 15,928,487  | \$ 62,567,519  |
| 1991 Realignment   |               |              |                |                |                |                |                | \$ -           |
| Behavioral Health Subaccount   |               |              |                |                |                |                |                | \$ -           |
| Other Funding  |               |              |                |                |                |                |                | \$ -           |
| <b>Services Sub-Total</b>  | \$ -          | \$ -         | \$ 11,344,838  | \$ 11,912,080  | \$ 24,076,126  | \$ 24,701,510  | \$ 25,358,164  | \$ 97,392,718  |
|  |               |              |                |                |                |                |                |                |
| FUNDING SOURCES:<br>CAPITAL PROJECT (Building Fund + One-Time)       | FY 22/23      | FY 23/24     | FY 24/25       | FY 25/26       | FY 26/27       | FY 27/28       | FY 28/29       | TOTAL          |
| Innovation Funds (Capital Projects)                                  |               |              | \$ 14,728,252  | \$ 51,041,000  |                |                |                | \$ 65,769,252  |
| Federal Financial Participation (Medi-Cal)                           |               |              |                |                |                |                |                | \$ -           |
| 1991 Realignment   |               |              |                |                |                |                |                | \$ -           |
| Behavioral Health Subaccount   |               |              |                |                |                |                |                | \$ -           |
| Other Funding: BHCIP Round 4   | \$ 57,478,382 |              |                |                |                |                |                | \$ 57,478,382  |
| Other Funding: 2022 State Budget Grant                               |               | \$ 2,500,000 |                |                |                |                |                | \$ 2,500,000   |
| Other Funding: City of Los Angeles- Land Grant                       |               | transfer     |                |                |                |                |                | \$ -           |
| Other Funding: LA County Board of Supervisor                         | \$ 500,000    |              |                |                |                |                |                | \$ 500,000     |
| Other Funding: MHSA CFTN (Pending OAC Approva of INNI)               |               |              | \$ 10,000,000  | \$ 15,000,000  |                |                |                | \$ 25,000,000  |
| Other Funding: Foundations/Private Philanthropy                      | \$ 1,000,000  |              | \$ 5,000,000   | \$ 5,000,000   |                |                |                | \$ 11,000,000  |
|  |               |              |                |                |                |                |                |                |
| <b>Capital Projects Sub-Total</b>                                    | \$ 58,978,382 | \$ 2,500,000 | \$ 29,728,252  | \$ 71,041,000  |                |                |                | \$ 162,247,634 |
|  |               |              |                |                |                |                |                |                |
|  |               |              |                |                |                |                |                |                |
| <b>TOTAL PROPOSED EXPENDITURES</b>                                   | \$ 58,978,382 | \$ 2,500,000 | \$ 41,073,090  | \$ 82,953,080  | \$ 24,076,126  | \$ 24,701,510  | \$ 25,358,164  | \$ 259,640,352 |

Highlighted in yellow are the amount requested from MHSA Innovations Funding. The total request is: **\$100,594,450**.

Broken into: \$34,825,198 for service/operational costs (over 5 years) plus \$65,769,252 one-time for capital costs.

# EXHIBIT XIII

RECORDING REQUESTED BY:

AND WHEN RECORDED RETURN TO:

NAME: The City of Los Angeles  
 ATTENTION: Department of General Services  
 ADDRESS: Room 800, City Hall East  
 200 North Main Street  
 Los Angeles, CA 90012

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SPACE ABOVE THIS LINE FOR USE OF COUNTY RECORDER

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (hereinafter "Lease") is entered into on August 12, 1986, by and between the City of Los Angeles, a municipal corporation, as Lessor (hereinafter "City"), and the Kedren Community Health Center, Inc., a California nonprofit corporation, dba Kedren Community Mental Health Center (hereinafter "Kedren" or Lessee").

WITNESSETH

WHEREAS, City is the owner of the land described in "Exhibit A", attached hereto and incorporated herein by reference, and commonly known as 710 East 111th Place, Los Angeles, California 90059 (hereinafter the "Site"); and

WHEREAS, Kedren has constructed a building and other improvements upon the Site; and

WHEREAS, it has been the intention of City and Kedren to enter into a 50-year lease, in order that the rights and duties of the parties to the Site shall be clearly set forth; and

WHEREAS, Kedren has occupied the Site since October 10, 1977; and

WHEREAS, City does hereby lease the Site to Kedren, and Kedren does hereby accept this Lease, and both parties expressly acknowledge and agree that the land herein referred to as the Site belongs to the City, and that the building and improvements on the site belong to Kedren, subject to the following terms and conditions.

NOW, THEREFORE, CITY AND LESSEE do covenant and agree as follows:

- § 1. Term. the Term of this Lease shall commence as of the date of execution by the City, and shall terminate on October 9, 2027.
- § 2. Consideration and Use. As consideration for the Lease, Lessee agrees for and during the term of the Lease, that at Lessee's sole cost and expense, Lessee shall utilize the entire Site in order to provide services as a charitable, nonprofit licensed community mental health facility, for persons and families of the neighborhood community. All licensing requirements, permits and fees required by Los Angeles County, the State of California or any other requisite governmental agency, are solely the responsibility of Lessee. As part of the consideration for this Lease, Lessee will provide to City, on an annual basis on or before the termination of each calendar year, or as this date may be mutually amended in writing by City and Lessee, the following items as proof of its compliance:

- (a) Corporate certificate of good standing.
- (b) Requisite licenses to provide community mental health services.
- (c) Annual report which will include number of persons served and such other information as would indicate that Lessee is continuing to utilize the entire Site in order to provide services as a community mental health facility.
- (d) Annual statement of financial condition, including funding source report and the annual financial report presented to the Board of Directors.

In addition, Lessee will pay to City the sum of \$1.00 per year upon the same date as referenced above in this paragraph.

§ 3. Holding Over. In the event that Lessee shall hold over and remain in possession of the Site after the term hereof, such holding over shall be deemed to be from month-to-month and upon all of the same terms, covenants and conditions as contained herein, until terminated by either party upon service of a thrity (30) day written notice of termination.

§ 4. Breach. Leesee's use of the Site for any purpose other than as stated in Paragraph 2, shall constitute a material breach of the Lease. In the event of a breach of the Lease, in addition to any other rights or remedies it may have, City shall have the right to terminate the Lease on sixty (60) days written notice to Lessee. During that time, Lessee or its assignee shall have the right to cure the breach as further set out in paragraph 11.

- § 5. Alterations. Lessee is the sole owner of the building and improvements on the Site during the term hereof. Lessee may make any alterations or changes to the building and improvements, but in no event shall Lessee make any changes or alterations which would decrease the level of services currently being provided as a community mental health facility.
- § 6. Maintenance and Utilities. Lessee acknowledges and warrants that it has the sole and exclusive duty to keep and maintain the Site, building and improvements in a safe manner and in good condition and repair during the entire term of this Lease, and that Lessee shall do so at its sole cost and expense, including, but not limited to, paying for all services, utilities, permits fees, taxes and other charges in connection with the Site, building and improvements.
- § 7. Insurance. Lessee shall, at its own cost and expense, provide public liability insurance of not less than one million (\$1,000,000.00) dollars, for a combined single limit covering both bodily injury and property damage. This amount shall be increased periodically based upon inflation and other factors, and in the opinion of an established insurance broker or risk manager employed by or responsible to, ~~Lessee.~~ <sup>12/17/92</sup> ~~Lesser~~ <sup>12/17/92</sup>
- a. Lessee agrees that the City, its officers, departments, agencies, bureaus and employees shall be listed as additionally insured on the aforementioned policy of insurance. Such policy shall expressly provide that it shall not be cancelled, except after notice to the City of Los Angeles, through both the Office of the City Attorney and the Community Development Department, by registered mail at least 30 days prior to the date of cancellation.

§ 8. Indemnification of City. This Lease is made on the express condition that the City of Los Angeles, its officers, departments, agencies, bureaus and employees are to be free from all liability or loss by reason of injury to person or property, from whatever cause, while in or on the Site, or in any way connected with the Site, or with the services provided.

a. Lessee hereby covenants and agrees to, and shall, indemnify City, its officers, departments, agencies, bureaus and employees, and hold them harmless from any and all liability, loss, costs, or obligations on account of, or arising out of any such injury or losses however occurring.

§ 9. Possessory Interest Tax. By executing this Lease and accepting the benefits hereof, a property interest may be created known as a "possessory interest", and such property interest may be subject to property taxation. Lessee, as the party in whom the possessory interest is vested, may be subject to the payment of the property taxes levied upon such interest. If Lessee is entitled to the welfare exemption or other property tax exemption, such possessory interest should be included in the application therefor.

§ 10. Termination. At the termination of this Lease, the building and improvements on the Site shall become the free and clear property of City, and shall be turned over to City in good and broom-clean condition, subject only to normal wear and tear.

a. In the alternative, Lessee may, at its sole cost and expense, remove the building and improvements and restore the Site to a clean and buildable condition, fully filled in and prepared for new construction.

§ 11. Additional Breach Conditions. Notwithstanding anything in this Lease to the contrary, should the building or improvement situated on the Site become untenable for the purposes of providing a community mental health facility, or if in the opinion of any governmental agency having jurisdiction thereof, including, but not limited to the Department of Building and Safety and the Fire Department of the City of Los Angeles, or should the Site, buildings or improvements not be used for a community mental health facility operated by a duly licensed nonprofit corporation for that purpose, then upon written notification from City, Lessee shall immediately begin to cure and shall have sixty (60) days to completely cure the condition. At the end of sixty (60) days, at the option of City, this Lease shall terminate, and the City may enter upon said Site and immediately take possession of same, including buildings and other improvements.

§ 12. Quite Enjoyment. City agrees that, if Lessee is not in default as provided herein, it shall and may peaceably and quietly have, hold and enjoy the Site in accordance with the terms hereof.

§ 13. Control of the Site. It is the intent of both City and Lessee that this Lease constitutes a ground lease, and that except as provided herein, all responsibility and control of the Site, as well as the buildings and improvements and the operations therein, including, but not limited to security, maintenance, safety, costs, changes and supervision, shall be in the sole and exclusive dominion of Lessee.

§ 14. Assignment and Subleasing. Lessee, or any successor in interest or assignee, may assign this Lease only to a responsible public or private nonprofit corporation, which is duly licensed to, and in fact will maintain and operate the Site, buildings and improvements as a community mental health facility and in accordance with all of the provisions of this Lease. This assignment shall be subject to the approval of City, which approval shall not be unreasonably withheld.

§ 15. Discrimination Prohibited. No person shall, on the grounds of race, religion, color, national origin or sex be subject to discrimination in the leasing, occupancy or operation of the Site, buildings and improvements, including any program or projects utilizing same.

§ 16. Fees. Fees charged for services or donations must not restrict or limit accessibility of services to persons or families of the neighborhood community.

§ 17. Affirmative Action. Any Lessee or sublessee under this Lease must comply with the requirements of Section 10.8.4 of the Los Angeles Administrative Code.

§ 18. Default. In the event of a default by any Lessee, any successor in interest or assignee to this Lease must be a public or private nonprofit corporation and must operate the entire Site, buildings and improvements as a community mental health facility in the same manner and with the same level of services as Kedren, solely for the purpose of providing community mental health services. The entire Site, buildings and improvements must be utilized at all times as a community mental health facility in conformance with this Lease, and any successor in interest, assignee or sublessee, whether by default, voluntary assignment or in bankruptcy or in any other fashion, must abide by and be subject to all of the requirements of this Lease.

In the event, this Lease is acquired by operation of law or otherwise, by other than a nonprofit corporation, such acquiring party must form a nonprofit corporation or transfer to a nonprofit corporation to operate the Site, building and improvements within one hundred eighty (180) days, or the Lease shall terminate. Such acquiring party, or their assignee, shall be in the place of Lessee, subject to all the obligations of Lessee.

§ 19. Beneficiaries. The purpose of this Lease is in part for the benefit of persons and families living in the Model Cities Neighborhood and the surrounding community.

§ 20. Mortgages and Liens. At the termination of this Lease, all buildings and improvements on the Site shall revert to the City free and clear of all mortgages, liens and other obligations or indebtedness of Kedren or any other Lessee. Lessee understands, covenants and warrants that City is not responsible for any ~~charges~~ <sup>charges</sup>, costs, ~~expenses~~ <sup>expenses</sup>, mortgages, liens or any other indebtedness relative to the Site, buildings or improvements.

- § 21. Licensing and Operation. Lessee must acquire and maintain all necessary permits, licenses and governmental approvals to operate a community mental health facility. All activities, including, but not limited to, outpatient services, shall be operated in full conformity with applicable laws. Failure to do so, shall be a material breach of this Lease.
- § 22. Waivers. No waiver by either party of a breach by the other shall be construed or held to be a waiver by such party of any succeeding or preceding breach by the other party of the same or any other covenant, condition or restriction herein contained.
- § 23. Notices. Any notices or communications required to be given under this Lease, or which either the City of Lessee may desire to serve on the other, shall be made in writing and served or made in the following manner: (a) Upon City by registered mail addressed to Director, Human Services Division, 215 West Sixth Street, Los Angeles, CA 90014 (and a copy to the Director, Department of General Services, Room 800, City Hall East, 200 North Main Street, Los Angeles, CA 90012; Attention: Leasing and Mall Management Division), or such other City officer or department as mentioned in this Lease or at such other place as may hereinafter be designated in writing by City, and (b) upon Lessee by registered mail addressed to Kedren, Attention: Chairperson, Board of Directors of Kedren Community Health Center, Inc., at 710 East 111th Place, Los Angeles, CA 90059 (and a copy to the Executive Director) or such other person or place as may hereinafter be designated in writing by Lessee.

a. It shall be the duty and obligation of any successor in interest or assignee or any Lessee to promptly notify City in writing, of any change in person and/or place hereunder for purpose of notice. Failure to do so shall constitute a breach of the Lease.

§ 24. General Provisions. This Lease contains eleven (11) pages and one (1) exhibit, which constitutes the entire agreement between the parties. Should City and Lessee enter into any other agreements regarding the Site, buildings or improvements such agreement must be in writing, duly authorized and executed by both parties.

- a. The invalidity or illegality of any provision in this Lease shall not affect the validity or legality of any other provision.
- b. All references to, and obligations of, Kedren or Lessee in this Lease shall apply to, benefit and bind all successors in interest and assignees.

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IN WITNESS WHEREOF, CITY, ACTING BY AND THROUGH ITS DEPARTMENT OF GENERAL SERVICES, AND LESSEE, HAVE EXECUTED THIS LEASE BY THEIR DULY AUTHORIZED REPRESENTATIVES

APPROVED AS TO TERMS AND CONDITIONS:

Vern Hermann  
VERN HERMANN, Building  
Construction and Maintenance  
General Superintendent  
Department of General Services

Date: 8/12/86

Executed this 12 day of August, 1986

For: THE CITY OF LOS ANGELES

By Sylvia Cunliffe  
SYLVIA CUNLIFFE  
General Manager  
Department of General Services

APPROVED AS TO FORM AND LEGALITY:  
JAMES K. HAHN, City Attorney

By Dov S. Lesel  
Dov S. Lesel  
Deputy City Attorney

Executed this 12 day of August, 1986

For: KEDREN COMMUNITY HEALTH CENTER, INC.

By Jake R. Humber  
Jake R. Humber  
Corporate Chairman

ATTEST:

ELIAS MARTINEZ, City Clerk

By: Muriel C. Lindratt  
Deputy City Clerk

Date: September 17, 1986

ATTEST:

By Ralph H. Houston  
Bishop Ralph H. Houston  
Corporate Secretary

(Corporate Seal)

Council File Number: 86-0435; Date Council Adopted: 04-22-86

Said Agreement is Number 65588 of Contracts

EXHIBIT A  
LEGAL DESCRIPTION

The City-owned real property is identified by the following legal description:

That portion of Lot "B" of Tract No. 6378, in the City of Los Angeles, in the County of Los Angeles, State of California, as per map recorded in Book 68, Pages 93 to 99 inclusive, of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at a point in the southeasterly line of said Lot "B" at the southwest corner of the two acre parcel of land described in the deed to N.A. Kassler, Trustee, recorded December 5, 1950, as Instrument No. 1359, in Book 35024, Page 317, Official Records, said point being South 68 37' 27" West 504.62 feet, more or less, from the southeasterly line South 68 37' 27" West 750.00 feet to the true point of beginning of this description, thence from said true point of beginning.

Continuing along said southeasterly line South 68 37' 27" West 457.30 feet, more or less, to the southeasterly corner of land described in deed recorded in Book 5644, Page 360 of said Official Records, distant on said southeasterly line of said Lot "B", North 68 37' 27" East 500.08 feet from the most southerly corner of

EXHIBIT A

LEGAL DESCRIPTION (continued)

-2-

said Lot "B"; thence along the easternly line of the land described in said last-mentioned deed, North 3 21' 40" East 468.73 feet to the most northerly corner of said land, said corner being in the northwesterly line of said Lot "B"; thence along said northwesterly line of said Lot "B" North 68 38' 00" East 261.16 feet to a line extending North 21 22' 33" West from the true point of beginning of this description; thence along said last-mentioned line, South 21 22' 33" East 425.64 feet, more or less, to said true point of beginning.

Except therefrom that portion described as follows:

Beginning at the southwesterly corner of that certain parcel of land described in deed to Lincoln Investment Corp., a California corporation, recorded in Book 49039, Page 390, Official Records, in the office of the County Recorder of said County, said corner being North 68 37' 27" East on the southeasterly line of said Lot "B" a distance of 500.08 feet from the most southerly corner of said Lot "B" thence a distance of 500.08 feet from the most southerly corner of said Lot "B" North 3 21' 40" East 468.7 feet along the westerly line of said parcel of land to the northwesterly line of said Lot "B", thence North 68 38' 00" East along said northwesterly line 3.30 feet to a line parallel with and distant easterly 3.00 feet, measured at right angles, from said westerly line of said parcel of land; thence along said parallel line, south 3 21' 40" West to the southeasterly line of said Lot "B", thence South 68 37' 27" West to the point of beginning.



## M O T I O N

The San Fernando Valley Interfaith Council, Inc. currently operates a grant funded program known as the Wachs Multipurpose Senior Center located to 5000 Colfax Avenue, in North Hollywood. Said program provides information and referral, health, transportation, in home and consumer services for senior citizens in Council District 2.

The City of Los Angeles leases the facility from the owners, The First Presbyterian Church of North Hollywood, and then sub-leases to the San Fernando Valley Interfaith Council for their program.

Said lease/sublease agreement will terminate on June 30, 1986 unless the lease/sublease is extended.

Community Development Department staff has identified grant funds in Council District 2 that can be used to extend said agreements an additional 24 months.

I THEREFORE MOVE that subject to the approval of the Mayor:

- 1) The allocation of \$28,972 in grant funds to the San Fernando Valley Interfaith Council for the extension of the lease/sublease agreements be approved:
- 2) The General Manager of the Community Development Department be authorized to negotiate and the General Manager of the Department of General Services be authorized to execute, subject to the approval of the City Attorney as to form and legality, a lease agreement with The First Presbyterian Church of North Hollywood and a sublease agreement with The San Fernando Valley Interfaith Council.
- 3) The City Council authorize the Controller to:
  - a. Transfer appropriations within Community Development Public Service Fund No. 6943 as follows:

|       | <u>Account No.</u> | <u>Title</u>                          | <u>Amount</u> |
|-------|--------------------|---------------------------------------|---------------|
| From: | 600200             | Council District 2-Available          | \$13,102      |
|       | 600204             | California Artists for Human Services | 6,000         |
|       | 702000             | Council District 2-Available          | 9,870         |
| To:   | 600000             | Available-6th Year                    | 19,102        |
|       | 700000             | Available-7th Year                    | 9,870         |

b. Transfer funds as follows:

|       | <u>Fund No.</u> | <u>Fund Title</u>                       | <u>Account No.</u> | <u>Amount</u> |
|-------|-----------------|---|--------------------|---------------|
| From: | 6943            | Community Development<br>Public Service | 600000             | \$19,102      |
|       | 6943            | Community Development<br>Public Service | 700000             | 9,870         |
| To:   | 7716            | Community Development<br>Trust          | 081401             | 19,102        |
|       | 7716            | Community Development<br>Trust          | 082401             | 9,870         |

c. Transfer appropriations within Community Development Trust Fund No. 7716 as follows:

|       | <u>Account No.</u> | <u>Title</u>                            | <u>Amount</u> |
|-------|--------------------|---|---------------|
| From: | 081401             | Community Development<br>Public Service | \$19,102      |
|       | 082401             | Community Development<br>Public Service | 9,870         |

|     | <u>Account No.</u> | <u>Title</u>       | <u>Amount</u> |
|-----|--------------------|--------------------|---------------|
| To: | 086XXX             | Prior years-LMPA 2 | \$28,972      |

d. Expend funds for San Fernando Valley Interfaith Council upon receipt of proper demand from the General Manager of CDD.

PRESENTED BY \_\_\_\_\_  
Joel Wachs  
Councilman, Second District

SECONDED BY \_\_\_\_\_

CITY OF LOS ANGELES  
CALIFORNIA

ELIAS MARTINEZ  
CITY CLERK



TOM BRADLEY  
MAYOR

APR 30 AM 8:30  
OFFICE OF  
CITY CLERK  
ROOM 395, CITY HALL  
LOS ANGELES, CA 90012  
485-5705

WHEN MAKING INQUIRIES  
RELATIVE TO THIS MATTER,  
REFER TO FILE NO.

86-0435

CD's 8 & 15

April 28, 1986

*47/005  
in old bldg book*

*ORIG - SEEGALL  
INFO - SC  
EBT*

*L-9506*

General Manager, General Services Department (with file)  
City Administrative Officer  
Chief Legislative Analyst  
City Attorney  
Community Development Department  
Controller -  
Room 220  
Accounting Division  
Disbursement Division

RE: GROUND LEASE AGREEMENT BETWEEN THE CITY AND THE KEDREN COMMUNITY HEALTH CENTER, INC. FOR THE KEDREN COMMUNITY MENTAL HEALTH CENTER

At the meeting of the Council held April 22, 1986, the following action was taken:

Attached report adopted..... X  
" motion " ( ).....  
" resolution " ( ).....  
Ordinance adopted.....  
Motion adopted to approve attached report.....  
" " " " " communication.....  
To the Mayor for concurrence.....  
To the Mayor FORTHWITH.....  
Mayor concurred..... 4-28-86  
Appointment confirmed.....  
Appointee has/has not taken the Oath of Office.....  
Findings adopted.....  
Negative Declaration adopted.....  
Categorically exempt.....  
Generally exempt.....  
EIR certified.....  
Tract map approved for filing with the County Recorder....  
Parcel map approved for filing with the County Recorder...  
Bond approved.....  
Bond is No. \_\_\_\_\_ of Contract.....  
Resolution of acceptance of future street to be known as \_\_\_\_\_ adopted.....  
Agreement mentioned therein is/are No. \_\_\_\_\_ of Contracts.....

*Elias Martinez*  
City Clerk  
fse

*L-17031*

TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

THE GRANTS, HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE reports  
as follows:

STAFF RECOMMENDATIONS

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

1. APPROVE the Ground Lease Agreement between the City of Los Angeles and the Kedren Community Health Center, Inc., for the Kedren Community Mental Health Center Project, for the period commencing on the day of execution by the City and terminating on October 9, 2027 (approximately 51 years), subject to the review and approval of the City Attorney as to form and legality.
2. AUTHORIZE the General Manager of the Department of General Services to execute said lease on behalf of the City.

SUMMARY

The Community Development Department submits for your review and approval the proposed Ground Lease Agreement, between the City of Los Angeles and the Kedren Community Health Center, Inc., which provides a City-owned land site to the agency for approximately 51 years. Kedren provides community mental health services for persons and families in Council Districts 8 and 15.

On November 9, 1971, the City of Los Angeles and Kedren Community Health Center, Inc. entered into a lease agreement which provided the City-owned land site at 710 East 111th Place, Los Angeles, Ca. 90059, to Kedren. The agreement required the agency to:

- a) Construct a facility on the leased site for the purpose of operating a non-profit community mental health center.
- b) Enter into a 50 years lease agreement with the City, for the real property.

Kedren partially fulfilled contract requirements by constructing a facility on the site and occupying the same on October 10, 1977. According to the agreement, the constructed facility and any improvements made to it became the sole property of Kedren, Inc., while the land remained in the City's possession.

Subsequent contract negotiations for the 50 years lease failed to produce terms to which both parties agreed. The subject agreement proposes to fulfill the unexecuted requirements of the previous contract agreement.

Under the proposed ground lease agreement, the City-owned land at 710 E. 111th Place will be leased to Kedren at the rate of \$1.00 (one) per annum, from the time of execution by the City and terminate on October 9, 2027 (approximately 51 years). The lessee agrees to utilize the entire site for the purpose of operating, at its sole expense, the Kedren Community Mental Health Center on a non-profit/ charitable basis as a licensed facility providing services to community residents.

During the term of the contract Kedren is the sole owner of the building (which it constructed, and occupied on October 10, 1977) and all improvements to the site. At the termination of the subject ground lease agreement on October 9, 2027, the building and all improvements on the site shall become the free and clear property of the City, and shall be turned over to the City in good and broom-clean condition, subject only to normal wear and tear.

The Department advises that the lessee has reviewed and tentatively approved the proposed lease agreement, prepared cooperatively by CDD and the City Attorney's Office.

Respectfully submitted,

GRANTS, HOUSING AND COMMUNITY  
DEVELOPMENT COMMITTEE

ITEM NO.: 10

C.F.: 86-0435

DATE: 3/25/86

TO: Grants, Housing and Community Development Committee

FROM: Chief Legislative Analyst

SUBJECT: Proposed Agreement for the Kedren Community Mental Health Center

The Community Development Department submits for your review and approval the proposed Ground Lease Agreement, between the City of Los Angeles and the Kedren Community Health Center, Inc., which provides a City-owned land site to the agency for approximately 51 years. Kedren provides community mental health services for persons and families in Council Districts 8 and 15.

PROJECT FINANCING/COST

| <u>Title</u>                   | <u>City</u> | <u>Total Cost</u> |
|--------------------------------|-------------|-------------------|
| Kedren Com. Mental Health Ctr. | -0-         | -0-               |

The City of Los Angeles will not have any monetary obligation to provide funds for this ground lease. The Contractor agrees to lease the land at the rate of \$1.00 (one) per annum, for approximately 51 years.

SUMMARY

On November 9, 1971, the City of Los Angeles and Kedren Community Health Center, Inc. entered into a lease agreement which provided the City-owned land site at 710 East 111th Place, Los Angeles, Ca. 90059, to Kedren. The agreement required the agency to:

- a) Construct a facility on the leased site for the purpose of operating a non-profit community mental health center.
- b) Enter into a 50 years lease agreement with the City, for the real property.

Kedren partially fulfilled contract requirements by constructing a facility on the site and occupying the same on October 10, 1977. According to the agreement, the constructed facility and any improvements made to it became the sole property of Kedren, Inc., while the land remained in the City's possession.

Subsequent contract negotiations for the 50 years lease failed to produce terms to which both parties agreed. The subject agreement proposes to fulfill the unexecuted requirements of the previous contract agreement.

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The Department advises that the lessee has reviewed and tentatively approved the proposed lease agreement, prepared cooperatively by CDD and the City Attorney's Office.

#### STAFF RECOMMENDATIONS

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

1. APPROVE the Ground Lease Agreement between the City of Los Angeles and the Kedren Community Health Center, Inc., for the Kedren Community Mental Health Center Project, for the period commencing on the day of execution by the City and terminating on October 9, 2027 (approximately 51 years), subject to the review and approval of the City Attorney as to form and legality.
2. AUTHORIZE the General Manager of the Department of General Services to execute said lease on behalf of the City.

#### ADDITIONAL INFORMATION

##### Agency Status and Facility Disposition

Under the subject ground lease agreement with the City of Los Angeles, Kedren Community Health Center, Inc. is the lessee and assumes all responsibility and control of the site (at its own expense), as well as the building and any improvements made to the site.

Additionally, during the term of the contract Kedren is the sole owner of the building (which it constructed) and all improvements to the site. Occupancy began on October 10, 1977.

The lessee operates the Kedren Community Mental Health Center on a non-profit, charitable basis, thereby maintaining its tax exempt status under Article 13, Section 4 (B) of the Constitution of the State of California and the statutes adopted to implement that Section. Services are provided to residents of Council Districts 8 and 15.

At the termination of the subject ground lease agreement on October 9, 2027, the building and all improvements on the site shall become the free and clear property of the City, and shall be turned over to the City in good and broom-clean condition, subject only to normal wear and tear.

Compliance Documentation

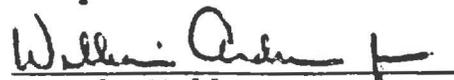
Kedren will be required to submit to the City, annually, the following documentation as proof of its compliance with the lease agreement:

- a) Corporate certificate of good standing.
- b) Requisite licenses to provide community mental health services.
- c) Annual report which will include the number of persons served and any other information to indicate that the lessee is continuing to utilize the entire site in order to provide services as a community mental health facility.
- d) Annual statement of financial condition, including funding source report(s) and the annual financial report presented to the Board of Directors.

Insurance Requirements

Kedren is responsible for providing public liability insurance of not less than \$1,000,000 (one million), for a combined single limit covering both bodily injury and property damage and naming the City, its officers, departments (including the Community Development Department), agencies, bureaus and employees as additionally insured on said policy. Kedren will also be responsible for periodically increasing the amount of coverage to be commensurate with inflationary factors.

An Indemnity Clause has been included in the lease contract which releases the City, its officers, departments, agencies, bureaus, and employees from all liability resulting in the injury of or to any person or damage to any property, while in or on the leased premises or in any way connected with the premises.

  
Brenda Wells  
Analyst

Approved:

  
Faye Washington  
Assistant Chief Legislative Analyst

# EXHIBIT XIV

**Detail on Fund, Account to deposit sale proceeds**

The conveyance of the property to Kedren will be at no cost. However, Kedren agreed to pay for: 1) City's creation of a new legal description, and 2) City's creation of a Notice of Exemption under the California Environmental Quality Act (CEQA).

- 1) Survey - \$932 shall be deposited into Bureau of Engineering's Special Services Fund  
682, Dept. 50, Revenue Source Code No. 530100
  
- 2) NOE - Soon to be provided.