
R-30

August 2, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute a lease (Lease) between Raquel M. De La Hoya, as an individual (Landlord) and the City of Long Beach (Tenant) for office space at 333 West Broadway, Suites 215 and 216 (Premises), for Homeless Services Bureau administrative staff. (District 1)

DISCUSSION:

The Homeless Services Bureau (HSB) within the Long Beach Department of Health and Human Services is the lead agency fulfilling the local administrative and planning functions for Long Beach Continuum of Care (CoC) programs, between the City of Long Beach and the U.S. Department of Housing and Urban Development (HUD), State of California and County of Los Angeles. The HSB is also the grantee for CoC programs and draws upon the Homeless Services Advisory Committee (HSAC), CoC Board, and CoC General Membership for policy, program and funding recommendations to the City Council.

HSB also operates the City's Multi-Service Center (MSC) located at 1301 West 12th Street which houses 12 public and private partner organizations working together to promote self-sufficiency and rebuild the lives of those experiencing homelessness. Annually, the MSC averages 26,000 client visits, making the MSC the primary point of entry for persons seeking homeless services assistance in Long Beach. Services range from basic amenities of shower, laundry, mail, and message center, to street outreach, van shuttle, transportation, medical care, mental health services, substance abuse treatment, HIV/AIDS services, integrated case management, and housing coordination. The mission of the MSC is to provide comprehensive supportive services to promote progress towards permanent housing and self-sufficiency, by creating a community where health, safety, and well-being are established.

As HSB has grown its services to provide support to the community, space at the MSC has become constrained. Economic Development, along with HSB staff, have conducted a site search to locate additional office space for the administrative component of HSB's services. Office space at 333 West Broadway (Seaspray Building), Suites 215 and 216, have been identified as a suitable option to relocate HSB administrative staff from the MSC. This relocation will allow the MSC to operate more effectively by providing case management and other direct services to utilize the newly vacated spaces at the MSC.

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The Seaspray Building is a multi-unit office condominium complex located within close proximity to both City Hall and the Broadway Garage as well as the MSC. Suite 215 is comprised of eight fully-furnished offices totaling approximately 1,850 square feet and comes with three dedicated parking spaces. Suite 216, is comprised of five offices totaling approximately 870 square feet and two dedicated parking spaces. Tenants of the Seaspray Building also have use of a conference room that seats approximately 25 people.

The lease term for both units will be for a period of two years, commencing August 1, 2022, and terminating July 31, 2024. The total monthly rental rate in year one is \$6,800, or \$2.50 per rentable-square-foot (rsf), and \$7,004, or \$2.58 per rsf, in year two. The City will have two one-year options to extend should additional time be needed and HSB funding is available. The monthly rental rate for option years one and two would be \$7,214, or \$2.65 per rsf, and \$7,430, or \$2.72 per rsf, respectively. Monthly association fees are approximately \$832.50 for Suite 215 and \$342 for Suite 216. Utility costs are estimated at \$300 per month per unit.

As the Seaspray Building is ideally located near City Hall additional required staff parking could be made available within the Broadway Garage. Furthermore, the premises would provide the HSB administrative team an optimal location to work collaboratively with other partner City departments including Economic Development, Development Services, and Financial Management, all of which are housed at City Hall. Therefore, staff recommends approval of a lease with the following major terms and provisions:

- Landlord: Raquel M. De La Hoya, as an individual.
- Tenant: City of Long Beach, a municipal corporation.
- Premises: 333 West Broadway, Suites 215 (1,850 square feet) and 216 (870 square feet), a total of approximately 2,720 square feet.
- Use: General office space for City of Long Beach staff.
- Base Term: Two years, commencing August 1, 2022 through July 31, 2024.
- Renewal Options: Two (2), one-year options to extend.
- Rental Rate: Modified Gross at the following schedule:
 - Base Months 1-12: \$6,800 per month.
 - Base Months 13-24: \$7,004 per month.
 - Option Year 1: \$7,214 per month.
 - Option Year 2: \$7,430 per month.
- Security Deposit: Tenant will provide the Landlord a security deposit in the amount of \$7,004 prior to gaining access to the Premises.

- (Association Fees): The monthly association fees for Suite 215 are approximately \$832.50 per month and \$342 per month for Suite 216 for Months 1-12 of the lease. Association Fees include common area maintenance items such as water, restrooms, and trash and are subject to annual increases as reconciled and provided by the building's property manager. Any increases in the Association Fees will be paid by the Tenant and any special assessment costs of the Association Fees will be paid by Landlord.
- Operating Expenses and Janitorial Services: Tenant will be responsible for their separately metered electricity, cable, telephone, janitorial services, and maintenance and repair of their interior office suites. The Landlord will be responsible for the property taxes and property insurance.
- Furnishings: Landlord will include all of the furniture and artwork that is already existing within the Premises as part of the lease. The tenant will be responsible for maintaining the existing furniture and artwork. The landlord will remove personal items and printers prior to delivery of the Premises to the Tenant.
- Parking: Landlord will provide the Tenant with exclusive use of five (5) designated parking spaces (parking spaces 19-23) located in the parking garage as part of monthly rent.
- By-Laws and CC&R's: Tenant will comply with rules and regulations of the building By-Laws and Covenants, Conditions, and Restrictions.
- Signage: Landlord will, at Landlord's sole cost and expense, install suite numbers at the entrance door of each suite and will include Tenant's name and suite number on the building's directory board in the lobby of the building. Any additional signage identifying the City of Long Beach and Department logos is at the sole cost of the Tenant.

This matter was reviewed by Principal City Attorney Lauren Misajon on June 27, 2022, and by Budget Operations and Development Officer Rhutu Amin Gharib on July 15, 2022.

TIMING CONSIDERATIONS

City Council action is requested on August 2, 2022, in order to execute the lease expeditiously.

FISCAL IMPACT

Under the lease agreement, the total monthly base rent for both Suites will be \$6,800 for months 1-12 and \$7,004 for months 13-24. Monthly association fees are \$832.50 per month for Suite 215 and \$342 per month for Suite 216. HSB will be required to pay for utilities and janitorial service.

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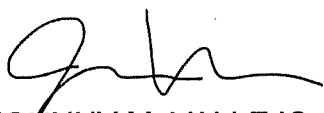
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The approximate cost of this agreement is \$209, 256 over the two-year term, offset by grant revenue. Sufficient funding for the lease is currently appropriated in the Health Fund Group in the Health and Human Services Department. This recommendation has a minimal staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

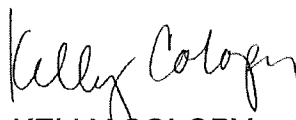
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

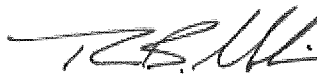


JOHNNY M. VALLEJO
ACTING DIRECTOR OF
ECONOMIC DEVELOPMENT



KELLY COLOPY
DIRECTOR OF HEALTH
AND HUMAN SERVICES

APPROVED:



THOMAS B. MODICA
CITY MANAGER

Attachment A – Site Map



Subject Property:
333 W Broadway Ste 215 & 216
Council District : 1

Attachment A

