



AGENDA REPORT

TO: Steven Falk
Interim City Administrator

FROM: Dana Riley
Interim Director, Parks,
Recreation & Youth
Development

SUBJECT: Malonga Informational Report

DATE: April 17, 2023

City Administrator Approval

Date:

Apr 28, 2023

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report For The Malonga Casquelourd Center For The Arts (Malonga or MCCA) On The Status Of 1) Lease Agreements With Malonga Arts Collective Members, 2) Scope And Budget Of A Master Plan For Cultural Arts Programming At Malonga, And 3) City's Feasibility Study And Building Assessment

EXECUTIVE SUMMARY

On March 21, 2023, the Oakland City Council (Council) authorized the City Administrator to negotiate and execute lease agreements for office spaces at the Malonga Casquelourd Center For The Arts (Malonga or MCCA) at below market rates for certain arts and educational organizations, including individual members of the Malonga Arts Collective (MAC) and to return to Council on or before July 1, 2023, to amend the Master Fee Schedule (MFS) to provide for reduced fees for studio spaces and performance theater use. City staff have developed a proposed lease agreement for office spaces, have introduced proposed changes to the MFS, and are developing a scope and budget for a cultural arts program master plan. Meetings with the MAC to review lease agreements are scheduled to begin the week of April 17, 2023.

BACKGROUND / LEGISLATIVE HISTORY

The Malonga, located at 1428 Alice Street, Oakland, and formerly known as the Alice Arts Center is a City-designated landmark and has established itself as one of the nation's premiere Black Indigenous and People of Color-led cultural arts centers. The MAC is a coalition of the following arts and educational organizations and individual teaching artists: (1) African Queens Dance Company, (2) Bantaba Dance Ensemble, (3) Dance-A-Vision, (4) Diamano Coura West African Dance Company, (5) Dimensions Dance Theater, (6) Fua Dia Congo, (7) LIKHA-Pilipino Folk Ensemble, (8) Omulu Capoeira Group, (9) Rara Tou Limen Haitian Dance Company, and (10) Samba Funk!. MAC members are long-standing tenants of the Malonga and some have been located at the facility for more than 15 years. The MAC, incorporated as a non-profit in 2022, approached the City wishing to establish long-term lease agreements for use of Malonga Office space and receive reduced rates for use of studio and theater performance areas.

Community & Economic Development
May 9, 2023

The City of Oakland (City) subsidy of long-term leases at below market rates will provide a stable environment for the MAC to thrive and grow and continue to provide educational programming and social and cultural benefits to the community.

The Oakland City Council adopted Ordinance No. 13730 [C.M.S.](#) on March 21, 2023, authorizing the City Administrator to negotiate and execute lease agreements for office spaces with certain arts and educational organizations, including individual members of the MAC. The MAC member lease will provide for exclusive use of office space in the Malonga for an initial 10-year term with one 5-year option to extend at below market rental rates, with reduced fees for studio space and performance theater use as set forth in a proposed amendment to the City's MFS.

ANALYSIS AND POLICY ALTERNATIVES

This proposed policy action supports the Citywide priority of housing, economic and cultural security. The ten MAC arts and educational organizations currently use office spaces at the Malonga. As set forth in the **Table 1** below, all organizations are currently on a month-to-month holdover arrangement. Commercial tenants pay below market rates ranging from \$0.35 to \$1.02 per square feet for office spaces ranging from 115 to 1000 square feet. These rates are approximately 49% to 83% of the estimated fair market rental value (FMRV) of \$2.00 per square foot. The office spaces at the Malonga generate approximately \$27,566 per year in rental revenue, which the City uses to cover a portion of the Parks, Recreation & Youth Development (OPRYD) Department's costs associated with owning and managing the Malonga.

Council Ordinance No. 13730 C.M.S. directs that the rent to be paid by each tenant for office spaces at the Malonga will be negotiated by the City Administrator, subject to certain limitations. Rents shall not exceed the current rents paid by each tenant. To account for inflation, rent may increase annually at a rate not to exceed 60% of the percentage increase in the Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward area or three percent (3%), whichever is lower.

TABLE 1: MAC Organizations Office Rent

Tenant	Square Feet	Monthly Rent	Monthly Rent per SF	Annual Rent	% FMRV (\$2 per SF)
*African Queens Dance Company	n/a	n/a	n/a	n/a	n/a
Bantaba Dance Ensemble	140	\$140	\$1.00	\$1680	50%
Dance-A-Vision	1000	\$350	\$0.35	\$4200	82.5%
Diamano Coura West African Dance Company	220	\$103	\$0.47	\$1241	76.5%
Dimensions Dance Theater	360	\$271	\$0.75	\$3249	62.4%
Fua Dia Congo	200	\$150	\$0.75	\$1800	62.5%
LIKHA-Pilipino Folk Ensemble	475	\$485	\$1.02	\$5820	49%
Omulu Capoeira Group	250	\$250	\$1.00	\$300	50%
*Rara Tou Limen Haitian Dance Company	n/a	n/a	n/a	n/a	n/a
*Samba Funk!	n/a	n/a	n/a	n/a	n/a

* The following members of the MAC do not occupy office space in the Malonga: (1) African Queens Dance Company, (2) Rara Tou Limen Haitian Dance Company, and (3) Samba Funk! The City's MFS sets forth the current rates for the Malonga main stage/theater performance spaces, studios, recording studios, vendor fee, conference rooms, box office space, grand lobby, and annex. The rates are different for-profit and non-profit organizations.

As directed by Council Ordinance No. 13730 C.M.S., a separate ordinance is being introduced to amend the City's Master Fee Schedule for OPRYD to authorize fees for Malonga rental facilities for organizations like the MAC at less than the Master Fee Schedule based on services provided by organizations pursuant to negotiated agreements such as leases.

As set forth in the **Table 2** below, MAC organizations would pay a rate ranging from \$7 per hour to \$20 per hour for use, depending on the size of the studio space. MFS rates for non-profits currently range from \$20 to \$40 per hour.

Table 2: MAC Organizations Studio Rent

Organization	Studio Space	Negotiated Studio Hourly Fee	MFS Nonprofit Studio Hourly Fee	Negotiated Theater Rental Fee
African Queens Dance Company	A	\$7	\$40	No historical theater use
Bantaba Dance Ensemble	D	\$20	\$20	No historical theater use
Dance-A-Vision	A, B	\$7	\$20-40	\$112
Diamano Coura West African Dance Company	A, B, C	\$7	\$20-75	\$112
Dimensions Dance Theater	C	\$7	\$75	\$112
Fua Dia Congo	A	\$7	\$40	\$112
LIKHA-Pilipino Folk Ensemble	E	\$25	\$40-50	No historical theater use
Omulu Capoeira Group	A	\$7	\$40-50	No historical theater use
Rara Tou Limen Haitian Dance Company	A	\$7	\$40	No historical theater use
Samba Funk!	A, B	\$20-25	\$20-40	No historical theater use

Staff is in the process of exploring the establishment of a Malonga Cultural Arts Advisory Council (Advisory Council) as a forum for public input at the neighborhood level to begin conversations about creating a cultural arts master plan. The Advisory Council would be a volunteer service organization and may operate similar to other Recreation Advisory Councils in Oakland. The Advisory Council would be inclusive, fair, and representative of the communities they serve.

For example, the Advisory Council for Malonga could consist of Malonga tenants, regular users of studio and performance space, the Oakland cultural arts community at large, commissioners from the Oakland Parks and Recreation Advisory Commission, and may include a staff liaison from OPRYD and advisement from the City's Cultural Affairs Division for facilitation.

Goals of such an Advisory Council would include the following:

- Foster open communication between organizations utilizing Malonga, OPRYD and Cultural Affairs Division
- Identify paths to align with the City's 2018 cultural development plan "Belonging in Oakland" <https://www.oaklandca.gov/resources/cultural-plan>
- Create opportunities to collaborate to identify methods to increase the arts in Oakland and promote programs offered at the Malonga
- Methods for increasing promotion of the Malonga to leverage synergies with other local arts and educational organizations

The Malonga is a unique facility with specific and distinct needs. The Malonga contains Single Room Occupancy (SRO) apartments, office tenants, studio and theater tenants and event space. Management, coordination and promotion of each type of use requires specialized skills and experience. In addition, there is 24-hour security and maintenance concerns to oversee. Managing a facility of this size and complexity requires designated staff beyond what OPRYD is currently budgeted. Adequate oversight requires the addition of a Recreation Supervisor to focus on implementation, expansion and promotion of cultural art programs and services to the community and management of staff performing day to day operations of the Malonga including studio, theater and event space. Consideration during recruitment of the Recreation Supervisor (\$102,995 annual salary) will focus on selecting a candidate that demonstrates an understanding and passion for cultural arts and experience with facility operation and promotion.

In the Fiscal Year 21-22 Budget cycle, Council allocated Capital Improvement Plan (CIP) funds for a project to perform a feasibility study for the Malonga facility with the goal of evaluating the building for potential improvements that would help maximize the potential of the facility to support the Oakland Arts community.

The Oakland Public Works (OPW) Project & Grant Management (PGM) team was assigned to the feasibility study project and started work collecting information about the facility from City staff and the Malonga art community stakeholders. After meeting with participants from OPRYD, OPW Bureau of Maintenance and Internal Services (BMIS), Economic & Workforce Development (EWD), Malonga Arts Resident Association (MARA), MAC, and the City Council District 3 office, the team generated a feasibility study scope to include the following professional services:

- Building Documentation: Develop CAD plans that will become baseline for future planning and improvement projects
- Building Assessment: Evaluate the condition of all key building components and systems including Interior and Exterior Architectural Finishes, HVAC, Electrical, Roofing, Structural, windows etc., and recommend improvements
- Stakeholder Outreach: Develop and implement outreach plan to facilitate discussions with City and community stakeholders to gather information and feedback on project tasks
- Space & Utilization Study: Perform an inventory and utilization study of all spaces within the building, examining building plans, current programming and scheduling data to identify spaces that are underutilized and functions that are underserved
- Cost Estimating: Generate cost estimates based on recommendations from the building assessment report and proposed improvements requested by project stakeholders;
- Presentation Graphics: Provide graphics package for use in future community outreach and grant applications

On March 7, 2023, OPW Capital Contracts Division (CCD) issued an Informal Request for Proposal (RFP) to architecture consultants currently included on the City's 2018 On-Call Architect contract list. A voluntary pre-proposal site visit was held on March 20, 2023 to orient proposing teams to the building issues. Due to the resulting requests for information received by the OPW Project Manager, an Addendum #1 was issued April 3, revising the submittal deadline to April 17, 2023.

After review and scoring of the proposals, the City will identify the most responsive bidder and OPW CCD will move forward with issuing a task order to commence the work. The Feasibility Study Report is currently scheduled to be completed by January 2024.

FISCAL IMPACT

Revenue generation from MAC use of office, studio, and theater space is expected to remain unchanged. There is potential for moderate revenue increase from the Malonga through implementation of a cultural master plan that includes increased promotion and bookings of the facility. At this time staff does not have a projected value for the potential increase.

PUBLIC OUTREACH / INTEREST

This report did not require any additional public outreach other than the required posting on the City Council Agenda, however, the City will continue to engage with the MAC and the Oakland cultural arts community to survey program and service needs at the Malonga.

COORDINATION

This report was prepared in coordination between OPRYD, Economic & Workforce Development Department Cultural Affairs and Real Estate Divisions, Oakland Public Works Department, City Administrator's Office, Finance Department, and the City Attorney's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Below market rate and reduced fees for MAC members will help stabilize cultural arts organizations providing potential for growth and increased employment opportunities.

Environmental: There are no identified direct environmental impacts associated with this report.

Race & Equity: Tenants receiving below market rent for office space and reduced studio space and theater use fees will be required annually to describe quantitatively and qualitatively the community benefits provided to the Oakland community during the reporting period. Community benefits should prioritize low-income Oakland residents and/or Oakland youth residing in areas prioritized as High or Highest Priority Neighborhoods by the Oakland Department of Transportation [Geographic Equity Toolbox](#), which was created as a way for the City of Oakland to prioritize neighborhoods based on concentrations of people with demographic factors determined to have experienced historic and current disparities.

Examples of community benefits may include but are not limited to:

- The number of complimentary tickets to performances for Oakland youth or low-income residents
- Number of Oakland youth served at no charge or at a reduced rate by tenant's programs

- Number of scholarships provided to low-income Oakland residents or Oakland youth for tenant's programs
- Number of Oakland Unified School District students served by tenant's programs
- Engagement and outreach performed to increase awareness of and access to cultural programs of the Malonga
- Number of partnership events with OPRYD and/or at OPRYD facilities

ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Dana Riley, Interim Director, at (510) 238-6495.

Respectfully submitted,

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