

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE:

(1) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH FAMILY BRIDGES, INC., A NONPROFIT CORPORATION, FOR THE APPROXIMATELY 3,929 SQUARE FOOT GROUND FLOOR SPACE LOCATED AT 150 FRANK H. OGAWA PLAZA (LIONEL J. WILSON BUILDING), SUITE 1B TO OPERATE A CRISIS RESPONSE AND COMMUNITY MEDIATION PROGRAM FOR AN INITIAL TERM OF THREE YEARS WITH ONE THREE-YEAR OPTION TO RENEW;

(2) WAIVING OAKLAND MUNICIPAL CODE SECTION 2.42.230 TO REDUCE RENT BELOW \$1.25 PER SQUARE FOOT AND SETTING TOTAL LEASE PAYMENTS TO A RATE OF TWO THOUSAND DOLLARS (\$2,000) PER MONTH WITH 3% ANNUAL ESCALATIONS FOR THE INITIAL TERM DUE TO SOCIAL BENEFITS TO THE COMMUNITY PURSUANT TO OAKLAND MUNICIPAL CODE SECTION 2.42.110;

(3) FORGIVING OUTSTANDING RENT BALANCES IN AN AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) FOR THE OUTGOING TENANT BIG OAKLAND, LLC; AND

(4) MAKING APPROPRIATE CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

WHEREAS, the City of Oakland (City) owns an approximately 3,929 square feet of ground floor space in Suite 1B of the Lionel J. Wilson Building at 150 Frank H. Ogawa Plaza (Property); and

WHEREAS, on December 15, 2018, the City executed a lease agreement with BIG Oakland, LLC (BIG Oakland) for the use of the Property as a co-working space for an initial term of Three years with Three (3) Three-Year options to renew at an initial rate of \$9,359.94 (\$2.38 per square foot) per month, pursuant to Section 2.42.230 of the Oakland Municipal Code (OMC),

which authorizes the City Administrator to execute a lease for tenants of the Lionel J. Wilson Building at a minimum monthly triple net rent of \$1.25 per square foot; and

WHEREAS, on June 1, 2021, the City Council authorized the City Administrator to negotiate and execute lease amendments with retail tenants in Frank Ogawa Plaza to forgive up to fifty percent of outstanding rent balances not to exceed One Hundred Eighty-Five Thousand Dollars (\$185,000) total forgiveness and reduce future rents by up to fifty percent not to exceed One Hundred Forty-Five Thousand Dollars (\$145,000) total rent reduction due to severe economic hardship for Oakland businesses during the Shelter-in-Place Orders issued by Alameda County in response to the global COVID-19 pandemic, pursuant to Ordinance No. 13650 C.M.S.; and

WHEREAS, BIG Oakland's lease was amended to forgive the maximum of fifty percent (50%) of the then outstanding rent totaling Fifty-Eight Thousand Eight Hundred Ninety-Nine Dollars and Eleven Cents (\$58,899.11) in forgiveness and to reduce rent by the maximum of fifty percent (50%) through June 30, 2022; and

WHEREAS, despite this lease amendment BIG Oakland has continued to struggle as a co-working space due to lasting changes in remote-work habits, has accrued an outstanding rent balance of Two Hundred Thirty-Five Thousand Four Hundred Thirty-Two Dollars and Seventy-Two Cents (\$235,432.72), and is not capable of paying this outstanding balance in full; and

WHEREAS, BIG Oakland's lease expired effective January 1, 2025; and

WHEREAS, BIG Oakland has agreed to give the City furniture, fixtures and equipment that would be useful to future tenants as consideration toward its outstanding rent balance; and

WHEREAS, BIG Oakland is a Black-owned business in the Black Arts Movement Business District and aspires to continue operating in another location; and

WHEREAS, on March 19, 2024, the Oakland City Council accepted and appropriated a Community Responsive Initiative to Strengthen Emergency Services Act (CRISES Act) grant from the California Department of Social Services in an amount not to exceed Three Million Five Hundred and Fifty-Eight Thousand Nine Hundred and Ninety-One Dollars (\$3,558,991) and authorized the City Administrator to negotiate and execute a grant agreement with Family Bridges, Inc. (Family Bridges) in the same amount to provide crisis response and community mediation services through August 31, 2026, in accordance with the CRISES Act grant pilot program, pursuant to Resolution No. 90156 C.M.S.; and

WHEREAS, in Section 219(6) of the Charter, the license or lease of City-owned real property by the City for longer than one year must be authorized by an ordinance enacted by the City Council pursuant to Oakland Municipal Code Section (OMC) 2.42.100; and

WHEREAS, pursuant to OMC Section 2.42.110, City-owned real property must be licensed or leased for a rent or fee, payable in cash or other consideration, equal to or exceeding the property's fair market value, unless the City Council determines that the license or lease of the property for less than its fair market value is in the best interest of the City; and

WHEREAS, in the case of licensees or lessees who provide in-kind services in lieu of cash rent, the value of such in-kind services to the City or the community at large may be considered in making the required Council finding and determination. In-kind services include benefits or values the provider renders to the City or the community at large as a result of the tenancy in lieu of payment of cash, including, but not be limited to, property security and maintenance, social and cultural benefits to the community, or other appropriate services; and

WHEREAS, Family Bridges is an Oakland based organization and has served Oakland residents since 1968 and began its Community Ambassador program in 2021; and

WHEREAS, Family Bridges has a strong track record of supporting unhoused individuals on their paths to stable housing and employment, de-escalating violent incidents, and promoting a welcoming and safe environment; and

WHEREAS, under the pilot program, Family Bridges will be providing crisis response, community mediation, housing navigation, and community engagement services in Oakland's Chinatown and Downtown, including Frank Ogawa Plaza, as well as parts of Jack London Square, Little Saigon, and Lake Merritt; and

WHEREAS, the proposed lease agreement does not constitute a disposition under the California Surplus Land Act, pursuant to Government Code Section 54221(d)(2) of the Surplus Land Act; and

WHEREAS, the proposed lease agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15301 (existing facilities); and

WHEREAS, the City desires to enter into a lease agreement with Family Bridges in accordance with these terms; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Administrator is hereby authorized to negotiate and execute a lease agreement with Family Bridges, Inc., a California nonprofit corporation, for use of the Property for crisis response, community mediation, housing navigation and community engagement services, for an initial term of three (3) years with one three-year option to renew.

SECTION 2. The City Council hereby waives OMC Section 2.42.230 to reduce rent below \$1.25 per square foot and setting total lease payments to Two Thousand Dollars (\$2,000) per month with three percent (3%) annual escalations for the initial term due to cultural and social benefits to the community pursuant to OMC Section 2.42.110. Base rent shall be deposited into General Purpose Fund (1010), Real Estate Organization (85231), Other Rental: Miscellaneous Revenue Account (44419), DP850 Administrative Project (1000019), Real Estate Program (PS32). Common Area Maintenance revenue shall be deposited in City Facilities Fund (4400), Facilities Services: Administration Organization (30551), Facility Rentals: Miscellaneous (44329), DP300 Administrative Project (1000010), Facilities Management & Development Program (IN02).

SECTION 3. The City Council finds and determines that the lease of the Property to Family Bridges for less than its fair market rental value is in the best interests of the City, because Family Bridges will utilize the Property to provide crisis response, community mediation, housing navigation, and community engagement services in Oakland's Chinatown and Downtown, including Frank Ogawa Plaza, as well as parts of Jack London Square, Little Saigon, and Lake Merritt.

SECTION 5. The City Council hereby authorizes the City Administrator to forgive outstanding rent balances in an amount not to exceed One Hundred Eighty Thousand Dollars (\$180,000) for the outgoing tenant BIG Oakland.

SECTION 6. The City Council hereby authorizes the City Administrator, without returning to City Council, to negotiate and execute (a) such other additions, amendments or other modifications to the foregoing document that the City Administrator, in consultation with the City Attorney's Office, determines are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transactions contemplated by this Ordinance, to be conclusively evidenced by the execution and delivery by the City Administrator of any such amendments; and (b) such other documents as necessary or appropriate, in consultation with the City Attorney's Office, to facilitate and consummate the transactions in accordance with this Ordinance, or to otherwise effectuate the purpose and intent of this Ordinance and its basic purpose.

SECTION 7. The lease agreement and any other documents necessary for the leasing of the property shall be approved as to form and legality by the City Attorney's Office and a copy shall be filed with the Office of the City Clerk.

SECTION 6. The City Council has independently reviewed and considered this environmental determination, and the City Council finds and determines that this action complies with the California Environmental Quality Act (CEQA) because this action on the part of the City is exempt from CEQA pursuant to Section 15301 (existing facilities).

SECTION 8. The recitals contained in this Ordinance are true and correct and are an integral part of the Council's decision.

SECTION 9. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 10. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, HOUSTON, KAPLAN, RAMACHANDRAN, UNGER, AND
PRESIDENT PRO TEMPORE GALLO

NOES –

ABSENT – COUNCIL PRESIDENT JENKINS (serving as Mayor pursuant to Charter Section 303)

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

Date of Attestation: _____

NOTICE AND DIGEST

AN ORDINANCE:

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- (4) MAKING APPROPRIATE CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

This Ordinance authorizes the City Administrator to negotiate and execute a lease agreement with Family Bridges, Inc., a nonprofit corporation, for the approximately 3,929 square foot ground floor space located at 150 Frank Ogawa Plaza (Lionel J. Wilson Building), Suite 1B to operate a crisis response and community mediation program for an initial term of three years with one three-year option to renew. The Ordinance waives Oakland Municipal Code Section 2.42.230 to reduce rent below \$1.25 per square foot for the initial term and sets lease payments to a rate of Two Thousand Dollars (\$2,000.00) per month due to cultural and social benefits to the community pursuant to OMC Section 2.42.110. Additionally, the Ordinance forgives outstanding rent balances in an amount not to exceed one hundred eighty thousand dollars (\$180,000) for the outgoing tenant BIG Oakland, LLC. The Ordinance makes appropriate California environmental quality act findings.