

MINIMUM RENT - NON-PROFIT ORGANIZATIONS

draft

Staff has identified 11 use categories of non-profit tenants and has made a rental rate recommendation for each category which are listed below. \$130 per month equals the cost for City staff to administer the leases and should be recovered in all cases. For both flat rates and percentage rents, the minimums should increase on an annual basis.

Use Category	Proposed Rental Rate	Comments
BALBOA PARK including museums and cultural centers	Tenants assume <u>all</u> interior and exterior facility maintenance responsibility including major repairs. Consider nominal % of certain revenue categories.	Most charge admission and have well established donation and membership programs.
CDBG	Nominal fee allowed per Council Policy 700-12	If totally Federally funded for low income demographic use, charging rent may be inappropriate. \$130 mo. has been charged.
CHILDCARE	Minimum rent of \$130 per month, plus facility maintenance if serving low income	All existing childcare leases, except 2, are paying at least this amount. Federal funding is obtainable for improvements. Childcare facilities <u>not</u> serving low income should pay market rent.
ECONOMIC DEVELOPMENT / REDEVELOPMENT	33.3% of Market Rent for equivalent properties	These organizations usually charge members association dues.
MISSION BAY	33.3% of Market Rent for equivalent properties	No change in established rental rate. Yacht clubs should not be treated as non-profits. Remove educational distinction.
SOCIAL & MEDICAL SERVICES	33.3% of Market Rent for equivalent properties	2/3 available rent discount very generous. Increased grant solicitation should be encouraged.
OFFICE SPACE	100% Cost Recoverable Charge Fair Market Rent	Office buildings generate high overhead. Need to defray expenses.

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Use Category	Proposed Rental Rate	Comments
YMCA OPERATIONS	33.3% vs for 10% of gross income	All users pay fees. Successful track record and strong funding enable Y to afford the proposed rate.
YOUTH ORGANIZATIONS including athletic groups	Minimum rent of \$130 per month, plus maintenance	Many are already paying this amount or more. Should depend on ability to pay and services provided.
LITTLE LEAGUE	Minimum w/small increases for cost recovery	Most have little or no funding. Covered by its own policy.
HICKMAN or ALLEN FIELDS	Field and facility maintenance	Multiple users (baseball, football, soccer). Should be some funding available.