



COMMUNITY

ESSENTIALS

LONG BEACH

NEWS

These Long Beach nonprofits pay as little as \$0 annually for rent



BY SAMANTHA DIAZ, MANAGING EDITOR · APRIL 8, 2024 · ⌚ 3 MINUTE READ



Sasha Kanno (left), Karissa Perez (middle), and Mango (right) talk with each other while in between two different plots where lettuces and other vegetables are being grown inside Farm Lot 59 in Long Beach on Jan. 27, 2022. (Richard H. Grant | Signal Tribune)

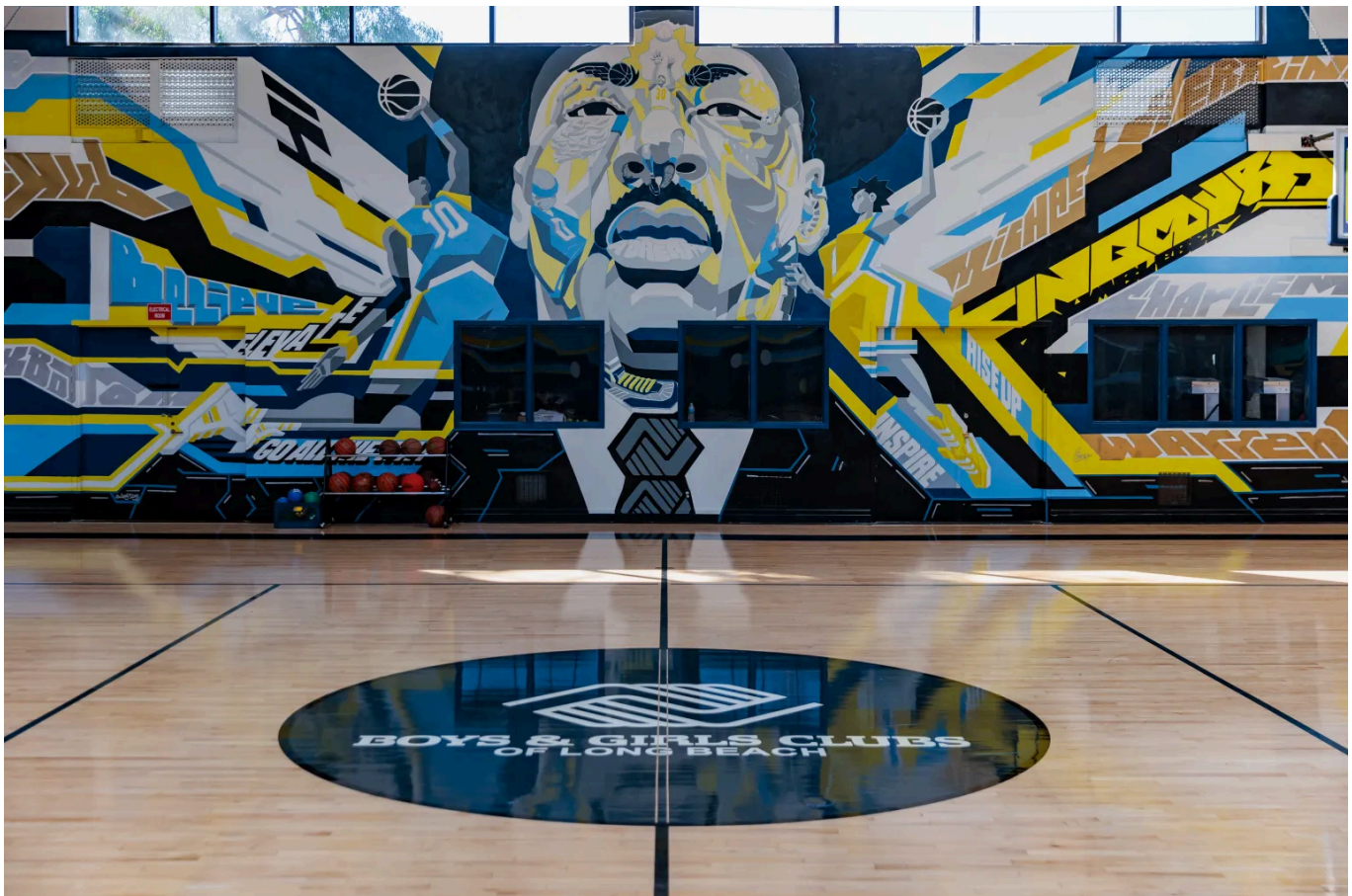
Long Beach's Auditor's Office found lack of oversight and no formal guidelines for most of these leases.

A report from the City Auditor's Office released in March shows that the city of Long Beach owns \$650 million worth of property, some of which is leased to nonprofits and community organizations with little to no documented guidelines.

Currently, the City has 14 historical leases to nonprofits for either \$0 or \$1 annually in exchange for the organization providing community-oriented services, yet no reporting process exists for most of the leases.

The 50-page City Property Management and Oversight Performance was conducted by Harvey M. Rose & Associates on behalf of the City Auditor's Office. Long Beach's Property Services Bureau within the Economic Development Department is responsible for acquiring, leasing and selling city-owned land, buildings and facilities.

Property owned and operated by the Port of Long Beach, Long Beach Airport and Utilities Department were not included in the report, as they manage their own land and facilities. Signal Hill does not lease any land to nonprofits, City Manager Carlo Tomaino told the *Signal Tribune* via email.



A mural is seen inside the indoor basketball court of the Boys and Girls Club of Long Beach's community center at Martin Luther

Below is a full list of the properties Long Beach is leasing to nonprofits, and their rent fees:

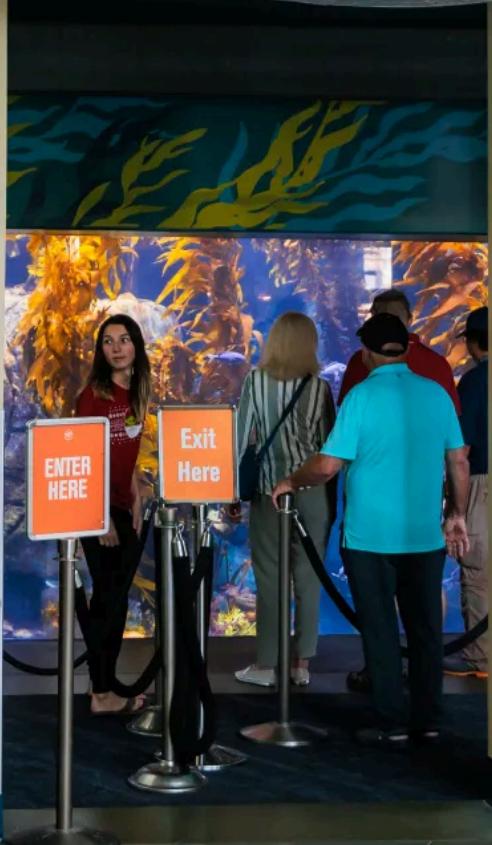
- Long Beach Organic: \$0
- Mental Health America of Los Angeles: \$0
- Aquarium of the Pacific: \$1 annually
- Historical Society of Long Beach: \$1 annually
- Killing Fields of Memorial Center, Inc.: \$1 annually
- Long Beach Fireman's Historical Society: \$1 annually
- LBUSD's Carmelitos Head Start Center: \$1 annually
- Downtown Long Beach Alliance: \$1 monthly
- Long Beach Fireman's Credit Union: \$1 annually
- Farm Lot 59: \$1 annually along with 1% of gross revenue generated on and off-site
- YMCA of Greater Long Beach: \$1 annually
- Boys' and Girls' Club of Long Beach (MLK Park location): \$1 annually
- Boys' and Girls' Club of Long Beach (Fairfield location): \$1 annually
- Boys' and Girls' Club of Long Beach (Admiral Kidd Park location): \$1 annually
- Long Beach Museum of Art Foundation: \$100 monthly
- Bay Shore Congregational Church: \$300 monthly
- AbilityFirst: \$2,600 monthly
- The Children's Clinic: \$1,500 monthly
- Centro CHA: \$53,932 annually

According to the City Auditor's report, Long Beach often offsets the cost of rent for these organizations through rent credits or direct subsidies.

The City sometimes will pay for the cost of renovating a property to later lease it to a nonprofit such as the \$1.5 million it spent on the Aquarium of the Pacific and the \$3.45 million spent on a health clinic for Mental Health America of Los Angeles.

Southern California

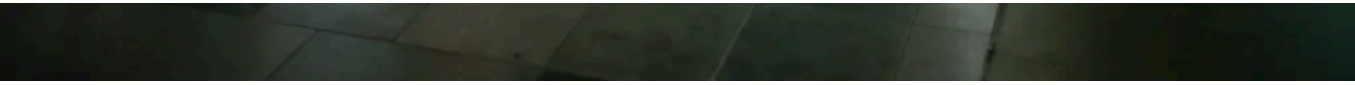
Oxy Packard
Kelp Forest
Hyacinth Posidonia
de Algas
Maritima



ENTER
HERE

Exit
Here





Guests peer into one of the tanks of the Southern California Gallery of the Aquarium of the Pacific and try to take peeks behind the curtain of the revamped gallery that opened to the public on July 1, 2023. (Richard H. Grant | Signal Tribune)

Of the list above, only two organizations are required to file reports with the City on its work with the community. Long Beach Organic must provide bi-annual reports to the Parks, Recreation, and Marine Department about its accomplishments. YMCA of Greater Long Beach is required to file an annual valuation report, but has not done so since 2018, according to the report.

The City's Auditor's Office identified four key findings:

- Long Beach does not have a comprehensive inventory of its City-owned property.
- The City's Property Services Bureau needs to develop guidelines and policies on leases, tenant investments, improvement allowances and lease structures.
- At least four incidents were found where Long Beach sold City-owned property to a private entity without a formal competitive bidding process.
- Some leases with nonprofits give the tenant an option to purchase the property at the end of the term, but there is no guarantee the land will then be used for public purposes.
- The City does not have a formal process to evaluate and plan long term space needs.

The Auditor's Office made 14 recommendations to the Property Services Bureau, with target dates for the changes ranging from three months to the end of the year.

View the full report from the City Auditor's Office here:

<https://www.cityauditorlauradoud.com/wp-content/uploads/2024/03/City-Property-Management-and-Oversight-Performance-Audit.pdf>