

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 13-_____

AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE DUE DILIGENCE EFFORTS WITH CASIDY-TURLEY FOR OFFICE SPACE AT 1936 UNIVERSITY AVENUE FOR BERKELEY HOUSING AUTHORITY ADMINISTRATIVE OFFICES; AND EXECUTE A MULTI-YEAR LEASE

WHEREAS, the Berkeley Housing Authority's lease for its current office space expires December 31, 2013; and

WHEREAS, the Authority investigated three options for office space including: (a) extension of the lease for 1901 Fairview St., (b) new lease with the City of Berkeley for 1947 Center St., and (c) new lease with Cassidy-Turley for 1936 University Ave.; and

WHEREAS, the Authority faces an annual deficit of \$600,000 per year; and

WHEREAS, the second largest budget expense is office rent (with salary and benefits being the first largest expense); and

WHEREAS, the 2011 Feasibility Study performed by Quadel Associates identified reduction in office rent as a major consideration for addressing the structural deficit; and

WHEREAS, the seven year proposal from Cassidy-Turley has very favorable lease terms over a seven year period; and

WHEREAS, relocation to any facility will require an upfront investment by the Authority in order to realize significant long term savings; and

WHEREAS, the lease terms proposed by Cassidy-Turley will result in annual decreases to the structural deficit of the Authority, and can demonstrate to the U.S. Department of Housing and Urban Development, the Authority's long-term efforts to reduce costs; and

WHEREAS, final cost figures are still being negotiated, including information technology connectivity issues with the City of Berkeley; and

WHEREAS, the Authority needs to enter into a lease agreement within the next 10-14 days to ensure sufficient time for lease-hold improvements, and vacating the current offices by December 31, 2013; and

WHEREAS, legal counsel will review the final lease before the lease is executed.

NOW, THEREFORE BE IT REVOLVED, that the Executive Director is authorized to execute a lease not to exceed a term of ten years with Cassidy-Turley provided it:

- a. Results in a decrease in office expense over the term of the lease;

- b. Allows for return on investment within five years; and
- c. Can be funded, temporarily with unrestricted reserves; and permanently with the net proceeds from the disposition when received by the Authority.

The following resolution was adopted by the Board of the Berkeley Housing Authority on September 23, 2013 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____

Tia M. Ingram, Secretary