



## COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

### SUMMARY REPORT

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**Agenda Date:** 5/21/2024

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** Public Infrastructure / Health Services

**Staff Name and Phone Number:** Johannes J. Hoevertsz – SPI, 707-565-2550 / Tina Rivera – DHS, 707-565-4774

**Vote Requirement:** Majority

**Supervisorial District(s):** Fourth

**Title:**

Lease Amendment for Department of Health Services, 140 South Cloverdale Boulevard, Cloverdale

**Recommended Action:**

Authorize Clerk of the Board to publish notice declaring the intent of the Board of Supervisors to execute a proposed lease amendment with Carl Edward Olson, as trustee of the Carl Edward Olson Revocable Trust dated October 27, 2014 (Landlord), for premises located at 140 South Cloverdale Boulevard, Cloverdale, where mental health outreach services are provided. The proposed amendment would extend the lease term for two years, through June 30, 2026, establish rent at \$962.67 per month subject to 2% annual increases and County payment of utilities, and provide an option to further extend the term through June 30, 2027. (Fourth District)

**Executive Summary:**

This matter involves a proposed lease extension for the Sonoma County Department of Health Services (hereinafter, “DHS” or “the Department”), which occupies leased office space at 140 So. Cloverdale Boulevard, in Cloverdale. The DHS Community Mental Health Centers outpatient team and community intervention staff provide program services to youth and family clients in the North Sonoma County area.

**Discussion:**

This item seeks Board approval to publish a notice declaring the Board’s intention to amend the current lease between Carl Edward Olson, as trustee of the Carl Edward Olson Revocable Trust dated October 27, 2014, (Landlord) and the County, for premises located at 140 So. Cloverdale Boulevard in Cloverdale (Premises), comprised of approximately 840 square feet of office space. The lease expires on June 30, 2024, and the current rent is \$934.63 per month (\$1.11 per sq. ft.). Under the existing lease, DHS provides and pays for janitorial and for utilities. The proposed amendment would extend the lease for two years through June 30, 2026, provide for a one-year lease option to extend the term through June 30, 2027, and specifies rent for the extended term. The Real Estate team has conducted a thorough review of the leasing costs and determined that the lease terms are consistent with current market conditions.

Since July 2015, the DHS Behavioral Health Division has provided Community Mental Health Center outreach services to clients residing in the North Sonoma County area, from this location.

**Proposed Lease Amendment.** The terms for the proposed Lease Amendment are as follows:

- Premises:** No change - 840 sq. ft. of office space, located at 140 So. Cloverdale Boulevard in Cloverdale.
- Term:** The lease term will be extended for two years through June 30, 2026. County will have one, 1-year option to further extend the term through June 30, 2027.
- Rent:** Currently rent is \$934.63 per month (\$1.11 per sq. ft.). Monthly rent will increase to \$962.67 per month (\$1.15 per sq. ft.) commencing on July 1, 2024, subject to 2% annual increases. In addition to base rent for the lease, the department provides and pays for its janitorial services and utilities. The \$1.15 psf base rental rate is below market rate in Cloverdale where there are few office properties available. The current base rental rates are between \$1.25 per sq. ft. and \$1.38 per sq. ft. for available office space in the Cloverdale area.
- Termination:** County may terminate the lease if funding for the Premises or program is reduced or withdrawn, or for any reason, with 90 days' prior written notice, to the Landlord, and payment equal to three months of the then-monthly lease rent, upon delivery of the termination notice.

**Funding:** The lease rent costs will be paid from Mental Health Services Act (MHSA) and Federal Financial Participation (FFP) associated with Medi-Cal claiming.

**Procedural Authority.** Government Code Section 25350 requires two (2) Board actions, which includes publication of a notice of intent, for the County to lease real property as tenant, and where the lease is valued at more than \$50,000. If your Board takes the requested actions, this matter will return to the Board on or after July 9, 2024, for consideration and consummation of the proposed lease amendment in accordance with the Government Code.

**Strategic Plan:**

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

**Pillar:** Healthy and Safe Communities

**Goal:** Goal 1: Expand integrated system of care to address gaps in services to the County's most vulnerable.

**Objective:** Objective 4: Establish resilient neighborhood, regional and satellite service centers with access to transportation systems in West County, Cloverdale, and Sonoma Valley, as expressed in the Real Estate Master Plan, by 2023 in order to improve equitable public access to services.

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

**Prior Board Actions:**

06/09/2015 – Authorized the General Services Director to execute the subject lease

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 23-24 Adopted</b>	<b>FY 24-25 Projected</b>	<b>FY 25-26 Projected</b>
Budgeted Expenses		\$11,552.04	\$11,783.07
Additional Appropriation Requested			
<b>Total Expenditures</b>		<b>\$11,552.04</b>	<b>\$11,783.07</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal		\$11,552.04	\$11,783.07
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>		<b>\$11,552.04</b>	<b>\$11,783.07</b>

**Narrative Explanation of Fiscal Impacts:**

Appropriations for this agreement are included in the Department of Health Services, Behavioral Health Mental Health Services (11605-22030105) FY2024-25 Recommended Budget. Future year lease costs will be incorporated in the annual Recommended Budget Process.

**Narrative Explanation of Staffing Impacts (If Required):**

None.

**Attachments:**

- 1 – Site Plan
- 2 – Notice of Intent
- 3 – Copy of Proposed Lease Amendment

**Related Items “On File” with the Clerk of the Board:**

None.