



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/14/2026

To: Board of Supervisors

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

Staff Name and Phone Number: Johannes J. Hoevertsz, SPI, 707-565-2550 / Nolan Sullivan, DHS, 707-565-4774

Vote Requirement: Majority

Supervisory District(s): All

Title:

License Agreements with Felton Institute and West County Community Services for Use of County-Leased Properties

Recommended Action:

- A) Authorize the SPI Director to execute the proposed license agreement with West County Community Services for the use of County-leased property, comprising 6,635 sq. ft. of office space, located at 2245 Challenger Way, in Santa Rosa, to provide peer-led, behavioral health, and recovery-oriented services to clients referred by DHS; and
- B) Authorize the Director of Sonoma County Public Infrastructure (SPI) to execute a proposed license agreement with Felton Institute for the use of County-leased property, comprising 25,024 sq. ft. and located at 440 Arrowood Drive, in Santa Rosa, to provide temporary housing, 24/7 clinical support, specialty mental health, recovery/rehabilitation services and employment assistance to clients referred by the County Department of Health Services (DHS); and
- C) Delegate authority to the SPI Director to execute future amendments and associated documents, as reasonably requested by DHS and SPI staff in consultation with the County Executive, and in a form approved by County Counsel, which are consistent with the essential terms of the original proposed license agreements and do not extend the terms of the license agreements;
- D) Make findings as required by Government Code Section 26227 that the proposed use of the properties by Licensee are necessary to meet the social, health and rehabilitation needs of the population of the County and that the subject premises are not needed for other County purposes during the term of the proposed agreements or any extensions thereof.

Executive Summary:

This item seeks Board authority to execute proposed license agreements with Felton Institute and West County Community Services, for use of County-leased facilities at 440 Arrowood Drive, and 2245 Challenger Way in Santa Rosa.

Since June 2017, DHS has leased premises located at 2245 Challenger Way in Santa Rosa, from SR Office Properties DE, LLC and Redbird SR Office Properties DE, LLC (collectively, the Lakes Landlord). The 2245 Challenger site houses the Wellness and Advocacy Center, operated by West County Community Services (WCCS). The Wellness and Advocacy Center in Santa Rosa is a non-profit, peer-operated mental health center offering one-on-one peer support, various support groups, social activities, an open art studio, and a computer lab. It also provides essential services like showers and laundry.

In October 2023, the County leased 440 Arrowood Drive from Arrowood Holdings, LLC (predecessor-in-interest to 3158 Condo Court, LLC) with the goal of renovating the property to utilize this property for the Behavioral Health Bridge Housing program (BHBH at Arrowood). BHBH at Arrowood is an interim shelter for unsheltered individuals who have behavioral health treatment needs. Services include mental health, recovery, and rehabilitation services which are provided at the site, 24 hours per day/7 days per week. In September 2024, DHS submitted a Request for Proposals for a site operator, and Felton Institute was the successful respondent. Felton Institute remains the site operator providing these services on behalf of DHS.

Discussion:

Department of Health Services (DHS) Peer Wellness Center Program: DHS has entered into an Agreement for services with West County Community Services (WCCS) to provide recovery-oriented, behavioral health services to adults experiencing serious behavioral health challenges. The Wellness Center Program provides services to 30-50 clients daily. Services include peer-led groups on financial planning, Substance Use Disorder (SUD) recovery, education support, housing support, and wellness and recovery. The center also provides a computer lab and art center to support its members, and essential services such as showers and laundry.

As operator of the Peer Wellness Center Program at 2245 Challenger Way, WCCS will license the Premises from the County, through a proposed license agreement, which contains the following key provisions:

- Premises: 2245 Challenger Way, comprised of approximately 6,635 sq. ft. of office space. Attachment 1 – Floor Plan and Site Plan.
- Term: The term will commence upon full execution of the proposed license agreement, effective July 1, 2026, and expires on June 30, 2027. The license agreement provides two (2), 1-year extension options, which would extend the license agreement through June 30, 2029, based on funding availability.
- Consideration: In lieu of rent, WCCS will provide Peer Wellness Center Program services for clients referred by DHS.
- Termination: County may terminate the license agreement for any reason, including the event of revocation or lapse of any required permit, upon 30 days' prior written notice.

DHS Behavioral Health Bridge Housing Program ("Bridges Program" or "BHBH"): DHS entered into an Agreement for services with Felton Institute on February 1, 2025, to provide specialty mental health services to adults with severe and persistent mental illness and substance use disorders; Peer Recovery Services, and

assistance to individuals in obtaining employment. BHBH at Arrowood is a 80-bed transitional recovery and community re-entry interim shelter, located at 440 Arrowood Drive, in Santa Rosa, for those suffering from mental illness who are experiencing homelessness. The facility was developed in partnership with Marin County Department of Health and Human Services and seeks to provide a healing and recovery-oriented atmosphere to adult populations, while prioritizing Community Assistance, Recovery and Empowerment (CARE) Court participants. BHBH at Arrowood has been designated to be a clean and sober facility, as services will be available to support those who are attempting to actively address their substance use issues.

As operator of the DHS Bridges Program, Felton Institute will license the Premises from the County through a license agreement, which contains the following key provisions:

- Premises: 440 Arrowood Drive, Santa Rosa, comprised of approximately 25,024 sq. ft. utilized for office, medical and residential rehabilitation treatment service. Attachment 2 – Floor Plan and Site Plan.
- Term: The term will commence upon full execution of the proposed license agreement and expires on June 30, 2027. The license agreement provides two (2), 1-year extension options, which would extend the license agreement through June 30, 2029, based on funding availability.
- Consideration: In lieu of rent, Felton Institute will provide Bridges Program services for clients referred by DHS.
- Termination: County may terminate the license agreement for any reason, including the event of revocation or lapse of any required permit, upon 5 days' prior written notice.

Public Interest. Section 26227 of the Government Code allows the County to enter into agreements with nonprofit agencies for use of county real property, provided that the Board makes a finding that the agreements are necessary to meet the social needs of the population of the County and the properties will not, during the time of possession, be needed for County purposes. The County partners with numerous community-based organizations to deliver services in a variety of modalities, often using County-leased properties for maximum efficiency. The provision of these services through the proposed license agreements are in the best interest of the public and contribute to public well-being by promoting health, stability, and recovery among vulnerable populations, thus reducing the need for more intensive public assistance and improving quality of life. The facilities to be utilized by the licensees are not otherwise used for any County operations or programs, and there is no foreseeable need for County use of the proposed premises at these locations.

Staff requests that your Board authorize the Director of Sonoma County Public Infrastructure (SPI) to execute the proposed license agreements, future amendments and associated documents required for the operation of the license agreements, as reasonably requested by SPI and DHS staff and in consultation with the County Executive, and in a form approved by County Counsel, which are consistent with the essential terms of the original agreements and which do not extend the terms of the agreements.

Staff further requests that your Board make a finding pursuant to Government Code 26227 that the proposed agreements are necessary to meet the social, health and rehabilitation needs of the population of the County and that the County does not need the proposed Premises during the extended terms of these agreements.

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 3: Create a "no wrong door" approach where clients who need services across multiple departments and programs are able to access the array of services needed regardless of where they enter the system.

Racial Equity:

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

No

Prior Board Actions:

None.

FISCAL SUMMARY

Expenditures	FY 26-27 Adopted	FY 27-28 Projected	FY 28-29 Projected
Budgeted Expenses	\$0	\$0	\$0
Additional Appropriation Requested			
Total Expenditures	\$0	\$0	\$0
Funding Sources	\$0	\$0	\$0
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$0	\$0	\$0

Narrative Explanation of Fiscal Impacts:

There is no monetary value associated with the proposed license agreements with West County Community Services and the Felton Institute, and therefore no direct fiscal impact. Rents and maintenance expenses associated with these facilities are included in DHS annual Recommended Budgets.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

- 1 – Floor Plan and Site Plan, 2245 Challenger Way, Santa Rosa
- 2 – Floor Plan and Site Plan, 440 Arrowood Drive, Santa Rosa
- 3 – Copy of Proposed License Agreement with West County Community Services
- 4 – Copy of Proposed License Agreement with Felton Institute

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

None.