



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: August 28, 2018
Placement: Administrative
Estimated Time: N/A
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: General Services Janette D. Pell, Director (805) 560-1011
Behavioral Alice Gleghorn, Director (805) 681-5233
Wellness

Contact Info: Skip Grey, Assistant Director, General Services Support Services
Division (805) 568-3083
John Jayasinghe, Deputy Director – Business Systems, Behavior
Wellness (805) 884-1659

SUBJECT: Behavioral Wellness Second Amendment to Lease at 2034 De La Vina Street, in
Santa Barbara, (RP File #003466); First District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Manager

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the original and duplicate original Second Amendment to Lease between the County Behavioral Wellness and Douglas W. Aiken and Patricia E. Aiken, Co-Trustees of the Aiken Family Living Trust, to extend the term of the Outreach and Crisis Services office lease, located at 2034 De La Vina Street, in Santa Barbara, for an additional three (3) years with two consecutive three-year options to extend the term; and
- b) Determine that the proposed action consists of the leasing of an existing private structure involving negligible or no expansion of use and is therefore exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15301, Existing Facilities, and direct staff to file and post the attached Notice of Exemption on that basis.

Summary Text:

The Board's action to approve the Second Amendment to the Behavioral Wellness Outreach and Crisis Services Office Lease, located at 2034 De La Vina Street, in Santa Barbara will extend the term for an additional three (3) years and provide two (2) consecutive options to extend the term by three (3) years each. Rent will be adjusted to Eleven Thousand Three Hundred Fifty Dollars and Ninety-Six Cents

(\$11,350.96) per month. Additionally, the annual rent adjustments will reflect a fixed three percent (3%) increase.

Background:

Behavioral Wellness (BeWell) has leased the building located at 2034 De La Vina Street, in Santa Barbara, since November of 2005. The building provides 4,225 square feet of commercial office space, conveniently located near Cottage Hospital and other healthcare emergency services. The Lease Agreement was extended by the First Amendment from January 1, 2013, through December 31, 2015. The First Amendment also included one (1) option to extend for an additional three (3) years. That option was exercised and the term is set to expire on December 31, 2018.

The Second Amendment will extend the term of the agreement for an additional three (3) years, terminating December 31, 2021, and provide two options to extend the term for three (3) additional years each, which would be exercised by returning to the Board. The options will be exercised by the Board of Supervisors. The base rent is Eleven Thousand Three Hundred Fifty Dollars and 96/100 (\$11,350.96) per month (\$2.61 per sq. ft.), subject to a three percent (3%) annual cost of living adjustment. In addition, the County is responsible for maintenance and operational costs for the building, which are approximately two thousand five hundred dollars (\$2,500) per month.

Three programs operate out of this location: *Homeless Outreach* provides clinical behavioral health support for individuals at risk of homelessness. *Justice Alliance* provides treatment for people with serious mental illness who have had interactions with the Law and Justice system, and *Assertive Community Treatment (ACT)* is a multidisciplinary team providing housing assistance, supported employment and education, medication support, counseling and social skills development. The buildings proximity to Cottage Hospital and other healthcare emergency services is vital to the programs run out of this office.

Execution of the Second Amendment to Lease Agreement provides for the continued leasing, operation, repair, and maintenance of an existing private structure. The action will involve negligible expansion of use, and is not likely to have a significant environmental impact. Therefore, this project is exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines, Section 15301 – Class 1, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

Fiscal and Facilities Impacts:

Fiscal Impacts

Ongoing Revenue Sources:

50% - Medi-Cal (ongoing cost reimbursement revenue)

50% - Mental Health Services Act (MHSA) (ongoing matching revenue, which has grown approx. ~28% since 2015-16 through 2018-19 (est.))

The lease will be tied to stable operating funding sources. These expenditures are Medi-Cal eligible and thus Medi-Cal will be the main cost reimbursement (50%). MHSA funds will be the matching funding

source. The Lease Agreement does not include a Non-Appropriation clause, but the three (3) year terms are set up to coincide with BeWell’s funding cycles.

See the following Proforma for details:

Proforma (\$s in 100s) 2034 De La Vina			
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Revenues			
50%			
Medi-Cal	\$ 83,100	\$ 85,600	\$ 88,150
MHSA - Matching	83,100	85,600	88,150
	<u>\$ 166,200</u>	<u>\$ 171,200</u>	<u>\$ 176,300</u>
Expenditures			
3%			
Rent & Operating	\$ 166,200	\$ 171,200	\$ 176,300
Net Financial Impact	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Instructions:

After Board action, distribute as follows:

1. Original and Duplicate Original Second Amendment and copy of Minute Order: General Services, Real Property, Attn: A. Kinsella

Attachments:

1. Original and Duplicate Original Second Amendment to Lease Agreement
2. CEQA Notice of Exemption