



COUNTY OF HUMBOLDT

For the meeting of: 9/3/2019

File #: 19-1023

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Lease of Modular Units at 638 W. Clark Street, Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize Public Works Real Property Division to send a notice to lessor that the county is continuing the leases on a sixty (60) day interval holdover basis; and
2. Authorize the current lease payment amounts to continue during the holdover term.

SOURCE OF FUNDING:

Social Services Fund (1160)

Mental Health Fund (1170)

DISCUSSION:

On November 4, 2014, your Board approved new lease agreements for three (3) modular units at 638 W. Clark Street, Eureka with Performance Modular, Inc. for the time period of December 1, 2014, through November 30, 2016 (Exhibit No. 1 - Leases). On September 20, 2016, your Board approved exercising the first of three options to extend the leases for the period ending on November 30, 2017 (Exhibit No. 2 - Option 1). On September 12, 2017, your Board approved exercising the second of three options to extend the leases for the period ending on November 30, 2018 (Exhibit No. 3 - Option 2). On October 16, 2018, the Board approved exercising the last option to extend the leases for the period ending on November 30, 2019 (Exhibit No. 4 - Option 3).

A prerequisite of entering into a new lease is for the Lessor to provide a facility that complies with the Americans with Disability Act (ADA) and other accessibility requirements. These three modular units have been surveyed by the Independent License Architect (ILA) as part of the Consent Decree with the United States Department of Justice. The Lessor has been informed of the existing accessibility barriers that must be removed. Until such time as the barrier removal work has been completed, or until alternate office space can be found, the Department of Health and Human Services (DHHS) wishes to continue use on a holdover basis under the same terms and conditions for each of three leases.

Therefore, DHHS recommends that your Board authorize continuance of the leases on sixty (60) day holdover periods as described in the leases until the modular units comply with the ADA and other accessibility requirements and then a new lease can be negotiated or until alternative office space can be found.

FINANCIAL IMPACT:

The respective monthly costs for each of the three modular units will continue as follows:

<u>Modular Buildings</u>	<u>Monthly Rent</u>	<u>Monthly Sales Tax</u>	<u>Cost per square foot</u>
Building D (60’x60’, #191-195)	\$3,600.00	\$306.00	approx. \$0.92 per square foot
Building E (24’x60’, #183-184)	\$1,240.00	\$105.40	approx. \$1.07 per square foot
Building G (36’x110’, #185-190)	\$3,950.00	\$335.75	approx. \$0.92 per square foot

The total cost of the three Leases is \$9,537.15 per month. It should be noted that the monthly city sale tax of 8.50 percent is subject to change upon modifications by the City of Eureka. These costs are included in the fiscal year 2019-20 county approved budget in fund 1160, budget unit 505, CalWORKs for Building D which is funded by Federal Temporary Assistance for Needy Families (TANF) and State General Fund. CalWORKs funding requires a Maintenance of Effort (MOE) by the county. The MOE requirement is approximately 0.06 percent of the total CalWORKs yearly allocation. Fund 1170, budget unit 426 - Housing, Outreach and Mobile Engagement (HOME) for Building E and Building G. Funding for Building E & G lease cost is available from Federal Financial Participation for Medi-Cal services, Mental Health Services Act and State grant allocations for homeless services. There is no impact to the county’s General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

Public Works - Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve continuance of the leases on a hold over basis. However, DHHS does not recommend this alternative because these programs would have to immediately find adequate replacement office space to continue operations and service to the public.

ATTACHMENTS:

Attachment No. 1 - Leases

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Attachment No. 2 - First Option

Attachment No. 3 - Second Option

Attachment No. 4 - Third Option

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-10, D-23, C-10

Meeting of: 11/04/14, 9/20/16, 9/12/17 & 10/16/18

File No.: 18-1257; 19-1023