



# COUNTY OF HUMBOLDT

For the meeting of: 9/3/2019

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File #: 19-1028

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**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**SUBJECT:**

Lease of Modular Unit at 2933 H 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:**

Mental Health Fund (1170)

**DISCUSSION:**

The Department of Health and Human Services (DHHS), Mental Health Branch has leased the modular building at 2933 H Street, Eureka since 1993. The modular building is for the Hope Center, a successful peer-run center offering wellness and recovery activities for people with mental health diagnosis.

A new lease with Performance Modular, Inc. was entered into on November 18, 2008 (Exhibit No. 1 - Lease). On October 18, 2011, your Board approved the First Amendment to the lease to extend the term of the lease to November 30, 2014, and to include two (2) - one (1) year extension term options (Exhibit No. 2 - First Amendment). On August 19, 2014, your Board approved exercising the first of two (2) - one (1) year extension term options through November 30, 2015 (Exhibit No. 3 - First Option). On September 1, 2015, your Board approved exercising the second of two (2) - one (1) year extension term options through November 30, 2016 (Exhibit No. 4 - Second Option). On September 20, 2016, your Board approved the Second Amendment to the lease to extend the term of the lease to November 30, 2019, and to include two (2) - one (1) year extension term options (Exhibit No. 5 - Second Amendment).

A prerequisite of exercising the first option to extend the lease through November 30, 2020, is for the Lessor to provide a facility that complies with the Americans with Disability Act (ADA) and other

accessibility requirements. This modular unit has 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 of the lease.

Therefore, DHHS recommends that your Board authorize continuance of the lease on sixty (60) day holdover periods as described in the lease until the modular unit complies 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 monthly rent for the modular building is \$2,407.26, plus city sales tax at 8.50 percent, for a total cost of \$2,611.88 per month, or \$1.11 per sq. ft. Lease expenditures for this modular building have been included in the approved FY 2019-20 budget for DHHS Mental Health, Mental Health Services Act budget unit 1170-477. Funding for lease cost is available from Mental Health Services Act Prevention and Early Intervention and Federal Financial Participation for Medi-Cal Specialty Mental Health Services. There is no impact on the county 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:**

The Board could choose not to approve the first option to extend the term to November 30, 2020. However, DHHS Mental Health does not recommend this as there are no other viable locations to move the Hope Center near the DHHS Mental Health services located at 720 Wood Street, Eureka.

**ATTACHMENTS:**

- Exhibit No. 1 - Lease
- Exhibit No. 2 - First Amendment
- Exhibit No. 3 - First Option
- Exhibit No. 4 - Second Option
- Exhibit No. 5 - Second Amendment

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: B-1, C-2, C-16, C-9 & D-16  
Meeting of: 12/09/08, 10/18/11, 8/19/14, 9/01/15 & 9/20/16  
File No.: 19-1028