

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 20, 2025

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

ARLENE MOLINA, Director, Preschool Services Department

SUBJECT

Amendment to Lease Agreement with the Housing Authority of the County of San Bernardino for Classroom, Office and Playground Space in San Bernardino

RECOMMENDATION(S)

1. Find that approval of Amendment No. 2 to Lease Agreement No. 17-466 with the Housing Authority of the County of San Bernardino, for classroom, office and playground space, is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class I).
2. Approve **Amendment No. 2 to Lease Agreement No. 17-466** with the Housing Authority of the County of San Bernardino, to extend the existing term of Lease Agreement No. 17-466 with the Housing Authority of the County of San Bernardino, which was originally set to expire on July 23, 2033, which now will extend the term of the lease for a period of June 1, 2025, through May 31, 2040, expand the premises from 1,512 square feet to 6,299 square feet, adjust the rental rate schedule, and update standard lease agreement language for office and classroom space, for the Preschool Services Department, located at 1755 Maple Street in San Bernardino, for a total cost of \$1,350,237 for a new total contract amount of \$1,854,285.
3. Direct the Real Estate Services Department to file the Notice of Exemption in accordance with the California Environmental Quality Act.
(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of Amendment No. 2 (Amendment) to Lease Agreement No. 17-466 (Lease) will not result in the use of Discretionary General Funding (Net County Cost), as the Preschool Services Department (PSD) lease costs are funded with 90% Federal funding and 10% State funding. The total cost of this Amendment is \$1,350,237 for a new total contract amount of \$1,854,285. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from PSD's budget (5911892220). Other costs associated with this Lease include custodial costs, minor interior maintenance, utilities, and playground maintenance, which will be paid from the PSD budget. Sufficient appropriation is included in the 2024-25 budget and will be included in future recommended budgets.

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Lease Year	Annual Lease Cost	Estimate of Other Costs Associated With This Lease
June 1, 2025 - May 31, 2026	\$88,080	\$57,973
June 1, 2026 - May 31, 2027	\$90,720	\$59,712
June 1, 2027 - May 31, 2028	\$93,444	\$61,500
June 1, 2028 - May 31, 2029	\$96,252	\$63,348
June 1, 2029 - May 31, 2030	\$99,132	\$65,244
June 1, 2030 - May 31, 2031	\$102,108	\$67,200
June 1, 2031 - May 31, 2032	\$105,168	\$69,216
June 1, 2032 - May 31, 2033	\$108,324	\$71,292
June 1, 2033 - May 31, 2034	\$111,576	\$73,428
June 1, 2034 - May 31, 2035	\$114,924	\$75,636
June 1, 2035 - May 31, 2036	\$118,368	\$77,904
June 1, 2036 - May 31, 2037	\$121,920	\$80,244
June 1, 2037 - May 31, 2038	\$125,580	\$82,656
June 1, 2038 - May 31, 2039	\$129,348	\$85,140
June 1, 2039 - May 31, 2040	\$133,224	\$87,69
Previous Contract remaining value	(\$287,931)	\$0
Total Lease Cost	\$1,350,237	\$1,078,187

BACKGROUND INFORMATION

Approval of this Amendment will extend the term for the property located at 1755 Maple Street in San Bernardino (Premises). The Amendment will increase the rentable square footage of the Premises from 1,512 square feet to approximately 6,299 square feet, extend the term for the period from June 1, 2025, through May 31, 2040, delete the options to extend, adjust the rental rate schedule and update standard lease agreement language. All other Lease terms remain unchanged.

On June 27, 2017 (Item No. 46), the Board of Supervisors (Board) approved the Lease, with two five-year option periods to extend the term with the Housing Authority of the County of San Bernardino, for 1,512 square feet of office and classroom space and approximately 18,100 square feet of land, for two modular buildings and a playground area at the Premises. On March 13, 2018 (Item No. 38) the Board approved Amendment No. 1 which adjusted the Lease contingency dates and the commencement date to July 23, 2018. In that time, two modulares have been built on the leased land portion for PSD.

In July 2024, PSD requested that RESD negotiate an amendment to extend the existing term that was set to expire on July 22, 2033, for the period of June 1, 2025, through May 31, 2040, increase the usable square footage of the premises from 1,512 square feet to 6,299 square feet and add plans for a playground in the leased land portion of the Premises. The Lease extension will include improvements to the premises and grounds to include two additional classrooms and a playground. The Premises will accommodate children in the Head Start program. A market survey was performed and the rate was determined to be competitive due to the County paying for custodial costs, minor interior maintenance, utilities, and playground maintenance.

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The project to approve the Amendment was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Section 15301 – Existing Facilities (Class I) because there is no possibility that the leasing of the subject property will have a significant effect on the environment. Accordingly, no further action is required under CEQA.

Summary of Lease Terms

Lessor:	Housing Authority of the County of San Bernardino
Location:	1755 Maple Street, San Bernardino
Size:	Approximately 6,299 square feet of classroom and office space and approximately 18,100 square feet of land for two modular units and a playground area
Term:	July 23, 2018, through May 31, 2040
Options:	No options remain
Rent:	Cost per square foot per month: approximately \$1.17 Monthly: \$7,340 Annual: \$88,080 *Low-range for comparable facilities in the San Bernardino area per the competitive set analysis on file with RESD
Annual Increases:	3%
Improvement Costs:	Provided by County
Custodial:	Provided by County
Maintenance:	Minor interior maintenance provided by County
Utilities:	Provided by County
Insurance:	The Certificate of Liability Insurance, as required by the Lease, is on file with RESD
Holdover:	Upon the end of the term, if permitted by Lessor, the Lease shall continue on a month-to-month term upon the same terms and conditions which existed at the time of expiration
Right to Terminate:	County has the right to terminate this lease with 90-days' notice
Parking:	Sufficient for County needs

PROCUREMENT

Not applicable.

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REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on April 17, 2025; Preschool Services (Arlene Molina, Director, 383-2078) on April 22, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on April 21, 2025; Finance (Paul Garcia, 386-8392, and Eduardo Mora, 387-4376, Administrative Analysts) on May 1, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 4, 2025.

(BR: 531-2674)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 20, 2025



cc: RESD - Thompson w/agree for sign
Contractor - c/o RESD w/agree
File - w/agree
MBA 05/27/2025