

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

February 6, 2024

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department
JACQUELYN GREENE, Director, Preschool Services Department

SUBJECT

Lease Amendment with Hope Through Housing Foundation for Classroom, Office Space, and Playground Area in Victorville

RECOMMENDATION(S)

1. Find that approval of Amendment No. 4 to Lease Agreement No. 10-200 with Hope Through Housing Foundation is an exempt project under the California Environmental Quality Act Guidelines Section 15301 – Existing Facilities (Class1).
2. Approve **Amendment No. 4** to Lease **Agreement No. 10-200** with Hope through Housing Foundation to extend the term of the lease three years through San Bernardino County's exercise of the third of its three existing options, for the period of February 1, 2024 through January 31, 2027, following a permitted 23-month holdover for the period of March 1, 2022 through January 31, 2024, add one three-year option to extend the term, adjust the rent schedule; and update standard lease agreement language for the exclusive use of approximately 2,694 square feet of classroom and office space, and approximately 1,914 square feet of playground and the non-exclusive use of approximately 1,105 square feet of covered patio area in Victorville, in the amount of \$212,962.
3. Authorize the Director of the Real Estate Services Department to approve and execute any other documents and take any other actions necessary to complete this transaction, subject to County Counsel review.
4. 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.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total cost of Amendment No. 4 to Lease Agreement No.10-200 (Lease) is \$212,962. Lease payments will be made from the Real Estate Services Department (RESD) Rents budget (7810001000) and reimbursed from the Preschool Services (PSD) budget (5911812220). Other costs associated with this Lease include custodial costs, which will be paid from the PSD budget. Sufficient appropriation is included in both the RESD Rents and the PSD 2023-24 budgets and will be included in future recommended budgets. Annual lease costs are as follows:

Lease Amendment with Hope Through Housing Foundation for Classroom, Office Space, and Playground Area in Victorville February 6, 2024

Period	Lease Cost	Estimate of Other Costs	Total Cost
March 1, 2022 – January 31, 2024*	\$80,086	\$8,299	\$88,385
February 1, 2024 – January 31, 2025	\$42,996	\$8,548	\$51,544
February 1, 2025 – January 31, 2026	\$44,292	\$8,804	\$53,096
February 1, 2026 – January 31, 2027	<u>\$45,588</u>	<u>\$9,068</u>	<u>\$54,656</u>
Total Cost	\$212,962	\$34,719	\$247,681

* Holdover rent during the holdover period

BACKGROUND INFORMATION

Amendment No. 4 to the Lease with Hope Through Housing Foundation (Hope) will provide for San Bernardino County’s (County) continued use of approximately 2,694 square feet of classroom and office space, approximately 1,914 square feet of playground area and the non-exclusive use of approximately 1,105 square feet of covered patio area for an additional three years, for the period of February 1, 2024 through January 31, 2027, following a permitted holdover for the period of March 1, 2022 through January 31, 2024, for the facility located at 17251 Dante Street in Victorville, because of the continuing need to provide preschool services in the Victorville area.

On April 13, 2010 (Item No. 81), the Board of Supervisors (Board) approved this five-year Lease with three three-year options to extend the term of the Lease for the period of April 1, 2010 through March 31, 2015, for 2,694 square feet of classroom and office space, 1,914 square feet of playground area, and 1,105 square feet of covered patio area located at 17251 Dante Street in Victorville.

On January 8, 2013 (Item No. 29), the Board approved Amendment No. 1 to the Lease which eliminated Hope’s requirement to provide day porter services and adjusted the monthly rent for the remaining two years and nine months of the Lease.

On March 3, 2015 (Item No. 51), the Board approved Amendment No. 2 to the Lease which extended the term for the period of April 1, 2015 through March 31, 2018, through the County’s exercise of the first three-year option, adjusted the rent schedule and updated standard lease agreement language.

On February 12, 2019 (Item No. 42), the Board approved Amendment No. 3 to the Lease which extended the term for the period of March 1, 2019 through February 28, 2022, following a permitted holdover for the period of April 1, 2018 through February 28, 2019, through the County’s exercise of the second option to extend the term, adjusted the rent schedule and updated standard lease agreement language.

In September 2022, PSD requested RESD to initiate discussions with Hope to extend the term of the Lease through the exercise of the final three-year option to extend and to request additional options to extend the Lease. RESD completed a market survey which established the market price range for the leased premises, and initiated lease renewal discussions. However, Hope rejected the proposed lease renewal rate and annual rate increases as unsatisfactory. Discussion continued during holdover which began March 1, 2022. The County has continued to occupy the premises and abide by the terms of the Lease. Recent negotiations with Hope concerning the market rate and annual rate increases for properties in

**Lease Amendment with Hope Through Housing Foundation for Classroom, Office Space, and Playground Area in Victorville
February 6, 2024**

the Victorville area have resulted in agreement on the renewal terms, which delayed presentation of the item to the Board.

The project to approve Amendment No. 4 to the Lease was reviewed pursuant to the California Environmental Quality Act (CEQA) and determined to be categorically exempt under Guidelines Section 15301 – Existing Facilities (Class 1) as approval of a lease agreement for existing facilities is an exempt activity under CEQA.

Summary of Lease Terms

Lessor:	Hope Through Housing Foundation (Gregory Bradbard, President)
Location:	17251 Dante Street, Victorville
Size:	Approximately 2,694 square feet of classroom and office space, approximately 1,914 square feet of playground area: non-exclusive use of approximately 1,105 square feet of covered patio area
Term:	Three years commencing February 1, 2024 through January 31, 2027
Options:	One three-year option to extend the term of the lease
Rent:	Cost per square foot per month: \$1.33* Monthly: \$3,583 Annual: \$42,996 *Mid-range for comparable facilities in the Victorville area per the competitive set analysis on file with RESD
Annual Increases:	3%
Improvement Costs:	None
Custodial:	Provided by County
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor
Insurance:	The Certificate of Liability Insurance, as required by the Lease, is on file with the 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:	The County has the right to terminate with 90-days' notice

**Lease Amendment with Hope Through Housing Foundation for
Classroom, Office Space, and Playground Area in Victorville
February 6, 2024**

Parking: Sufficient for County needs

PROCUREMENT

On April 13, 2010 (Item No. 81), the Board approved the Lease, which was procured according to County Policy 12-02 – Leasing Privately Owned Property for County Use (Policy) via an alternative procedure process. The procurement process required by County Policy does not apply to amendments of existing leases, provided the amendment does not exceed the maximum term (including options) of the Lease.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on December 21, 2024; Preschool Services (Jacquelyn Greene, Director, 383-2025) on December 21, 2023; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on December 27, 2023; Finance (Paul Garcia, 386-8392, and Garrett Baker, Administrative Analysts, 387-3077) on January 17, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on January 17, 2024.

(KB: 677-7961)

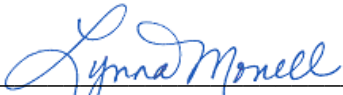
**Lease Amendment with Hope Through Housing Foundation for
Classroom, Office Space, and Playground Area in Victorville
February 6, 2024**

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.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 6, 2024



cc: RESD - Thompson w/agrees
Contractor c/o RESD w/agree
File - w/agree
MA 02/13/2024