

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

June 18, 2025

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

ARLENE MOLINA, Director, Preschool Services Department

SUBJECT

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

RECOMMENDATION(S)

1. Find that approval of Amendment No. 3 to Lease Agreement No. 08-1212 with Hope Through Housing Foundation for office space, is an exempt project under the California Environmental Quality Act Guidelines Section 15301 - Existing Facilities (Class 1).
2. Approve **Amendment No. 3 to Lease Agreement No. 08-1212** with Hope Through Housing Foundation, through the use of an alternative procedure as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to extend the term of the lease five years, for the period of July 1, 2025, through June 30, 2030, by exercising the existing option to extend, following a permitted 15-month holdover beginning April 1, 2024, through June 30, 2025, add one five-year option to extend the term of the lease, and update standard lease agreement language for approximately 2,024 square feet of office and classroom space and 2,254 square feet of playground area, located at 1432 North Willow Avenue in Rialto, for the Preschool Services Department, in the amount of \$326,436, for a new total contract amount of \$1,292,410.
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.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of Amendment No. 3 (Amendment) to Lease Agreement No. 08-1212 (Lease) will not result in the use of Discretionary General Funding (Net County Cost), as the Preschool Services Department (PSD) lease costs are 90% federally funded and 10% state funded. The total cost of the Amendment is \$326,436. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the Preschool Services Department (PSD) budget (5910002220). Sufficient appropriation is included in the 2025-26 RESA Rents and PSD budgets and will be included in future recommended budgets. Annual lease costs are as follows:

Year	Annual Lease Cost
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**Amendment to Lease Agreement with Hope Through Housing
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April 1, 2024 – June 30, 2025*	\$60,720
July 1, 2025 – June 30, 2026	\$50,028
July 1, 2026 – June 30, 2027	\$51,492
July 1, 2027 – June 30, 2028	\$53,196
July 1, 2028 – June 30, 2029	\$54,648
July 1, 2029 – June 30, 2030	\$56,352
Total Lease Cost	\$326,436

*Permitted holdover period.

BACKGROUND INFORMATION

On December 9, 2008 (Item No. 39), the Board of Supervisors (Board) approved the Lease with two five-year options to extend for 2,024 square feet of classroom and office space and 2,254 square feet of playground area, located at 1432 North Willow Avenue in Rialto (Premises). The original term of the Lease was for the period of December 1, 2008, through November 30, 2018. In the 16 years since the Lease was originally approved, the Board has approved two amendments, which reduced the monthly rental payments, required the County to pay for day porter services, extended the term, adjusted the rental rate schedule, and updated standard lease agreement language.

Amendment No.	Approval Date	Item No.
1	January 8, 2014	29
2	March 19, 2019	31

PSD requested that RESD negotiate an amendment to extend the term, which expired on March 31, 2024. Approval of this Amendment was delayed due to continued negotiations concerning the terms of the Lease. On April 1, 2024, the Lease went into a permitted holdover and PSD has continued to occupy the Premises and abide by the terms of the Lease.

This Amendment extends the Lease for an additional five years, from July 1, 2025, through June 30, 2030, by exercising the existing option to extend and following a permitted holdover for the period of April 1, 2024, through June 30, 2025. The Amendment also adds one five-year option to extend the term, adjusts the rental rate schedule, and updates standard lease agreement language. All other terms of the Lease remain unchanged.

A competitive market analysis conducted by RESD confirmed that the rental rate for the extended term is competitive. This facility remains the best fit for PSD's operational needs, minimizes program disruptions, eliminates relocation costs, and allows PSD to continue effectively serving residents in the community.

The project to approve the Amendment was reviewed pursuant to the California Environmental Quality Act and determined to be categorically exempt under Section 15301- Class 1 Existing Facilities because the proposed Lease is to secure property to operate within the existing structure with negligible or no expansion of existing use.

Summary of Lease Terms

Lessor:

Hope Through Housing Foundation
Rebecca Clark, President

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Location:	1432 Willow Avenue, Rialto
Size:	2,024 square feet of classroom and office space, and 2,254 square feet of playground area
Term:	Five years, July 1, 2025, through June 30, 2030
Options:	One five-year option to extend
Rent:	Cost per square foot per month: \$2.06* Monthly: \$4,169 Annual: \$50,028 *Mid-range for comparable facilities in the Rialto 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
Right to Terminate:	County has the right to terminate with 90-day notice
Parking:	Sufficient for County needs

PROCUREMENT

County Policy 12-02 provides that the Board may approve the use of an alternative procedure to the use of a Formal Request For Proposal (RFP) process whenever the Board determines that compliance with the Formal RFP requirements would unreasonably interfere with the financial or programmatic needs of the County, or when the use of an alternative procedure would otherwise be in the best interest of the County. The site best meets the needs of PSD for office space in Rialto.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on May 22, 2025; Preschool (Arlene Molina, Director, 383-2028) on May 20, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on May 19, 2025; Finance (Allegra Pajot, 388-0218, and Eduardo Mora, 387-4376, Administrative Analysts) on May 27,

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2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 28, 2025.

(YG: 665-0268)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 18, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree
MBA 06/26/2025