

**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. 19-470 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. 19-470** with the Housing Authority of the County of San Bernardino, through the use of an alternative procedure as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to increase the premises by 1,200 square feet by adding 1163 North Crestview Avenue to the premises, extend the term for 15 years, for the period of June 1, 2025, through May 31, 2040, following a permitted holdover period from July 1, 2024, through May 31, 2025, at a cost of \$24,866, adjust the rental rate schedule, and update standard lease agreement language for a total of approximately 4,319 square feet in Building A & B, for the Preschool Services Department, at 1151 North Crestview Avenue and 1163 North Crestview Avenue in San Bernardino, for a total cost of \$740,078, for a new total contract amount of \$884,093.
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. 19-47 (Lease) will not result in the use of Discretionary General Funding (Net County Cost) as Preschool Services Department (PSD) lease costs are approximately 86% federally funded and 14% state funded. The total cost of this Lease is \$740,078. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the Preschool Services Department (PSD) budget (5911652220). Sufficient appropriation is included in the 2024-25 budget and will be included in future recommended budgets:

Lease Year	Annual Lease Cost
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July 1, 2024 – May 31, 2025*	\$24,866
June 1, 2025 - May 31, 2026	\$38,352
June 1, 2026 - May 31, 2027	\$39,384
June 1, 2027 - May 31, 2028	\$40,944
June 1, 2028 - May 31, 2029	\$41,976
June 1, 2029 - May 31, 2030	\$43,020
June 1, 2030 - May 31, 2031	\$44,568
June 1, 2031 - May 31, 2032	\$46,128
June 1, 2032 - May 31, 2033	\$47,160
June 1, 2033 - May 31, 2034	\$48,720
June 1, 2034 - May 31, 2035	\$50,268
June 1, 2035 - May 31, 2036	\$51,828
June 1, 2036 - May 31, 2037	\$53,388
June 1, 2037 - May 31, 2038	\$54,936
June 1, 2038 - May 31, 2039	\$56,496
June 1, 2039 - May 31, 2040	\$58,044
<b>Total Lease Cost</b>	<b>\$740,078</b>

\*Reflects permitted holdover period.

**BACKGROUND INFORMATION**

On July 9, 2019 (Item No. 36), the Board of Supervisors (Board) approved the Lease between the Housing Authority of the County of San Bernardino (Housing Authority) and the County for approximately 3,119 square feet of classroom, office space and land located at the 1151 Crestview Avenue in San Bernardino for PSD. The original term was for the period of July 1, 2019, to June 30, 2024. In the six years since the Lease was originally approved, the Board has approved one amendment that confirmed the commencement date and updated the maintenance provision.

PSD requested that RESD negotiate this Amendment to increase the square footage, and extend the existing term of the Lease, which expired on June 30, 2024. On July 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. The holdover period was due to ongoing negotiations between the Housing Authority and the County regarding the increased Premises and potential tenant improvements.

The Amendment will increase the rentable square footage of the premises to include 1,200 square feet located at 1163 North Crestview Avenue. The updated square footage will be 4,319 square feet, comprising approximately 3,119 square feet at 1151 North Crestview, Buildings A and B, and approximately 1,200 square feet at 1163 North Crestview (Premises). The Amendment will also extend the term by 15 years, for the period of June 1, 2025, through May 31, 2040, following a permitted holdover period from July 1, 2024, through May 31, 2025, update the rental rate schedule, include language regarding potential improvements to the Premises, which will be provided by the County, and update standard lease agreement language. All other terms remain unchanged.

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

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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:	1151 North Crestview Avenue, Buildings A & B, and 1163 North Crestview Avenue, San Bernardino
Size:	4,319 square feet, comprising of approximately 3,119 square feet at 1151 North Crestview, Buildings A and B, and approximately 1,200 square feet at 1163 North Crestview
Term:	15 years, June 1, 2025, through May 31, 2040
Options:	Two five-year options
Rent:	Cost per square foot per month: \$0.74 Monthly: \$3,196 Annual: \$38,352 *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**

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 RFP requirements would unreasonably interfere with the financial or programmatic needs of the County, or when the use of an alternative procedure would

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otherwise be in the best interest of the County. The site best meets the needs of PSD for classroom and office space in San Bernardino.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II, and Adam Ebright, Deputies County Counsel, 387-5455) on April 8, 2025; Preschool Services (Arlene Molina, Director, 383-2078) on April 9, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on April 8, 2025; Finance (Allegra Pajot, 388-0218, and Eduardo Mora, 387-4376, Administrative Analysts, 387-3077) on May 1, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 4, 2025.

(YG: 665-0268)

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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