

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
SUBJECT: APPROVAL OF A LEASE AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA (“AUTHORITY”) AND THE CITY, ON AUTHORITY OWNED PROPERTY LOCATED AT 983 SONOMA AVENUE AND AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE THE LEASE (CEQA EXEMPT)

ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Housing and Community Services, Police and Fire Departments and City Real Estate Services Office that the Council, by resolution: 1) approve a Lease Agreement between the Housing Authority of the City of Santa Rosa and the City of Santa Rosa, for Housing Authority owned property located at 983 Sonoma Avenue (A.P.N. 009-171-029) for use by the City’s inRESPONSE team; and 2) authorize the City Manager to execute the Lease Agreement.

EXECUTIVE SUMMARY

On January 24, 2023, in closed session, Council gave staff direction to negotiate a lease agreement (Lease) with the Housing Authority of the City of Santa Rosa (Authority) for property owned by the Authority and located at 983 Sonoma Avenue (“Property”), for use as office space and mental health intake interviews by the City’s inRESPONSE team in partnership with the Santa Rosa Police and Fire Departments. Staff has negotiated a Lease within the price and terms given by Council and now requests Council approval as well as authorization for the City Manager to execute the Lease.

BACKGROUND

As the Santa Rosa Police and Fire Departments expand the work of the inRESPONSE team, which is designed to respond to calls for service with a mental health first approach, the City began looking at available City owned facilities to house the growing team. When no existing facilities were identified that would meet the needs of the inRESPONSE team, the City over the course of several months, looked at outside options but no rentals had been located that met the needs and budget of the team.

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Meanwhile, the Housing Authority of the City of Santa Rosa owns a property located at 983 Sonoma Avenue, which had been leased to Santa Rosa Community Health Centers since April 2011. In late 2022, Santa Rosa Community Health Centers notified the City that it would be vacating the space and relocating to Caritas Center at the expiration of its lease term in March 2023.

The Director of Housing and Community Services then notified the City of the upcoming vacancy at the Property.

The Property is improved with a 4,880 square foot building built in 1963 and zoned Office Commercial that fits the needs and budget of the inRESPONSE team. Furthermore, the Property is in an ideal location in downtown located in near proximity to the Public Safety Building and allows for a centralized location to dispatch response teams across the City.

PRIOR CITY COUNCIL REVIEW

On January 24, 2023, the City Council, in closed session, was presented with and considered the proposed lease terms for the City’s lease of 983 Sonoma Avenue from the Housing Authority for use by the inRESPONSE team. Council gave staff direction to negotiate a Lease with the Housing Authority.

ANALYSIS

Staff has negotiated a Lease Agreement with the Housing Authority within the price and term parameters given by Council as follows:

- 5-year initial term beginning April 1, 2023, with two 5-year extension options
- Rent of \$2,600/quarter with 3% annual increases
- Tenant Improvements performed at City’s expense
- All maintenance, except capitalized repairs for the roof, at City’s expense as tenant. Maintenance costs are estimated to be \$45,000 annually and the asset will be added to the Facilities Maintenance workflow for planned maintenance upon lease commencement.

Staff is now bringing the Lease, negotiated within the price and terms approved by Council in closed session, forward for Council consideration and final approval, as well as approval for the City Manager to execute the Lease documents.

The Housing Authority is scheduled to take similar action at their meeting on February 27, 2023, authorizing their Executive Director/Director of Housing and Community Services to execute the lease and any extensions on its behalf.

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FISCAL IMPACT

ARPA Funds (95943) will cover rent and facility upkeep costs for the remainder of 2022-2023 fiscal year and ongoing facility maintenance costs in the amount of \$45,000 annually will be budgeted and paid for out of the General Fund, Transportation and Public Works, Facilities Maintenance Budget.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

N/A

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution

PRESENTER

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