

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
HOUSING AND COMMUNITY SERVICES

SUBJECT: APPROVAL OF A LEASE AGREEMENT BETWEEN THE
HOUSING AUTHORITY OF THE CITY OF SANTA ROSA AND
THE CITY OF SANTA ROSA FOR 983 SONOMA AVENUE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Department of Housing and Community Services, that the Housing Authority by resolution, approve a Lease Agreement between the Housing Authority and the City of Santa Rosa for the inRESPONSE Program and authorize the Executive Director to sign, subject to approval by the General Counsel of the Housing Authority, a five (5) year lease with the option for two (2), five (5) year extensions.

EXECUTIVE SUMMARY

On January 23, 2023, in Closed Session, the Housing Authority gave staff direction to negotiate a lease agreement (Lease) with the City of Santa Rosa's in RESPONSE program for the property located at 983 Sonoma Avenue for use as office space and mental health intake interviews by the inRESPONSE team in partnership with the Santa Rosa Police and Fire Departments. Staff has negotiated a Lease within the price and terms given by Housing Authority and now requests Housing Authority approval as well as authorization for the Executive Director to execute the Lease.

BACKGROUND

In 2002, the Housing Authority acquired the property located at 983 Sonoma Avenue and later that year opened a 40-bed homeless shelter that was operated by Catholic Charities of the Diocese of Santa Rosa. As a result of the budget constraints that the City of Santa Rosa and the Housing Authority faced in Fiscal Year 2008/2009, the homeless shelter closed, and the 40 beds were moved to the Sam Jones Hall Homeless Shelter.

In 2009, staff issued a Request for Proposals (RFP) for a beneficial use at the site. In September 2010, the Housing Authority approved a lease with Santa Rosa Community Health (SRCH). SRCH began occupying the site and operating the Brookwood Health Center in April 2011.

The lease between SRCH and the Housing Authority had a ten-year term beginning April 1, 2011 and ending on March 31, 2021. In 2021, the Housing Authority approved a two-year extension with the option for two additional, one-year extensions. SRCH has relocated to the Caritas Center, as was planned at the time the lease extension was approved.

The City of Santa Rosa initiated the inRESPONSE Mental Health Support Team in January 2022 and needs dedicated office and clinic space. 983 Sonoma Avenue which was configured as a medical clinic by SRCH provides an opportunity for inRESPONSE to have stand-alone office and clinical space.

On January 23, 2023, the Housing Authority held a Closed Session and gave staff direction on the rate and terms of the Lease. Since that time, staff and City representatives have negotiated reasonable terms within the parameters set by the Housing Authority

PRIOR HOUSING AUTHORITY REVIEW

On January 23, 2023, the Housing Authority, in closed session, gave direction to staff on price and terms for the negotiation of the lease.

ANALYSIS

SRCH leased the Brookwood Health Center at 983 Sonoma Avenue April 2011 to the scheduled lease termination date of March 31, 2023. The proposed lease with the City of Santa Rosa's inRESPONSE program has a five (5) year term, with the option for two, five-year extensions. Approving the lease with inRESPONSE will allow the team comprised of mental health service providers, homeless outreach, paramedics, and others to have a dedicated facility within close proximity to downtown Santa Rosa, as well as providing a location for services that are beneficial to the community.

The Lease Agreement is 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 City's Facilities Maintenance workflow for planned maintenance upon lease commencement.

FISCAL IMPACT

Ongoing revenue payments from the lessee will be Housing Authority revenue.

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.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

City representatives have been notified via email.

ATTACHMENTS

- Attachment 1 – Lease
- Resolution

CONTACT

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